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NATIONAL ACCOUNTS
INCOME AND EXPENDITURE
1958



DOMINION BUREAU OF STATISTICS

Research and Development Division

National Income Section

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NATIONAL ACCOUNTS INCOME AND EXPENDITURE

1958

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June, 1959.



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INTRODUCTORY REVIEW

The Year 1958 — Annual Review

The year 1958 witnessed a gradual resumption of the upward trend in Gross National Product which had been interrupted in 1957 as recessionary influences began to bear adversely upon the level of economic activity. By the second quarter of the year, the Gross National Product was showing a firmer trend and by the final quarter was responding to a sharp rise in consumer expenditures, a strong advance in exports of goods and services, and a cessation in the rate of business inventory liquidation which had previously been operating to hold production in check as final demand was met out of current inventory stocks. The year thus ended on a stronger note, although business outlays for new plant and equipment were still tending downward at year-end.

Despite the improvement in a number of the main statistical aggregates during the course of 1958, Gross National Product for the year as a whole was affected in a major way by the heavy inventory liquidation of the first half, and by the continued downward drift in business spending for new plant and equipment. As a result, the Gross National Product showed an advance of only 2.3 per cent over the year 1957, of which the larger part represented higher prices prevailing in the period. In volume terms, Gross National Product in 1958 is estimated to have risen by less than 1 per cent. The slight volume gain was attributable to higher production in the farm sector; the physical volume of non-farm production remained unchanged from the previous year. The relative stability in the physical volume of total output in 1958 compares with a gain

of 9 per cent in 1955, 9 per cent in 1956, no change in 1957, and a postwar average for the years 1947 to 1958 of 4 per cent per year.

The broad changes in the main expenditure categories between the years 1957 and 1958, and the effect of these shifts on the Gross National Product, are shown in the table below. It is apparent that a major downward pressure during 1958 was coming from the business investment sector, with inventory liquidation assuming a major role, and declines in business outlays for non-residential construction and machinery and equipment acting to reinforce the curtailment in inventory demand. Altogether, these three components of the expenditure side accounted for a cut-back in the flow of expenditures equivalent to about \$1.4 billion in terms of new production. As will be noted, however, these downward tendencies in the economy were counteracted by the continued growth in consumer and government expenditures for goods and services, and the upswing in residential construction. These three elements on the demand side more than offset the declines noted in the business investment sector. At the same time, a good deal of the effect of the downward shift in domestic demand was transferred on to foreign sources of supply through the mechanism of declining imports of goods and services. The fall-off here in 1958 amounted to \$0.4 billion, or about one-third of the net reduction in demand attributable to the business investment sector. The overall effect of these developments was to bring about a change in the value of Canadian production in 1958 of about 2.3 per cent over the level of the year 1957.

Changes in Components of Gross National Expenditure¹ 1957 to 1958

	Year 1957	Year 1958	Change	Change ²
	billions of dollars			%
Business Investment				
Non-Residential Construction	3.1	2.8	-0.3	-9.3
Machinery and Equipment	2.8	2.3	-0.5	-17.7
Inventories	0.2	-0.4	-0.6	n.a.
(Non-Farm Business Inventories)	(0.3)	(-0.3)	(-0.6)	n.a.
Sub-Total	6.1	4.7	-1.4	-23.2
Other Purchases				
Consumer Expenditures	20.0	21.0	1.0	+5.2
Government Expenditures	5.7	6.2	0.5	+7.2
Residential Construction	1.4	1.8	0.4	+25.1
Exports	6.4	6.3	-0.1	-1.5
Sub-Total	33.5	35.2	1.7	+5.1
Total Final Purchases plus Inventory Investment				
(Total Available Supply)	39.6	39.9	0.3	+0.7
Less: Imports	-7.8	-7.4	-(-0.4)	-5.6
Gross National Expenditure				
(Canadian Production)	31.8	32.5	0.7	+2.3

¹ Figures will not add by + .1 or - .1 due to rounding.

² Per cent changes based on unrounded data.

While these annual comparisons provide a useful setting for viewing the year 1958 in perspective, they conceal to a considerable extent the evidence of developing strength which became more apparent toward the end of the year. As has already been noted, business inventories, which were being liquidated heavily in the early part of the year (and thus acting as a brake on production), moved to a position of small net accumulation in the last half. In addition, while the downtrend in business outlays for new plant and equipment which developed in 1957 continued through all quarters of 1958, the declines were of more modest proportions in the last three quarters of the year. Thus, the major downward pressures on production which arose from weakness in these three areas during 1957 and the early part of 1958, were moderating in the last three quarters; in fact, the swing in business inventories to a position where they were making new demands on production all but offset the declines in plant and equipment investment.

This easing of the downward pressures coming from the business investment sector was accompanied by a sharp upswing in other final purchases

of goods and services in the fourth quarter of the year. The rise reflected a sharp advance in personal expenditure on consumer goods and services, though it should be noted that this increase followed upon a period in which consumer expenditures had shown little change for two quarters. Exports of goods and services, which were showing some weakness in 1958, also advanced strongly in the fourth quarter, with widespread gains in most of the main commodity groups. The developing strength in these final demand categories, and in the accompanying swing in business inventories brought about a reversal in the down-trend of imports of goods and services which had been under way since the second quarter of 1957; by the second quarter of 1958, imports had stopped declining, and in the last half of the year they moved upward, with an exceptionally sharp rise in the fourth quarter.

Changes in Income During 1958

National income rose by about 3 per cent in 1958, but personal income increased by 6 per cent, and disposable income by more than 7 per cent. The major factors in the reconciliation of these differences are indicated in the table below.

Analysis of Changes in Major Income Components 1957 to 1958

	Year 1957	Year 1958	Change	Change ¹
	billions of dollars			%
National Income	23.9	24.7	+0.8	+3.4
Deduct: Corporation Profits	-2.5	-2.5	—	-2.8
Add: Dividends to Persons	0.3	0.3	—	-1.6
Add: Transfer Payments from Government	2.1	2.6	+0.5	+27.0
Other	-0.7	-0.8	-(-0.1)	+10.8
Equals: Personal Income	23.0	24.4	+1.4	+5.9
Deduct: Personal Direct Taxes	-1.9	-1.8	-(-0.1)	-5.6
Equals: Disposable Income	21.1	22.6	+1.5	+7.1

¹ Per cent changes based on unrounded data.

Transfer payments from government provided the most important single element in the differing rates of increase between national and personal income, and the rise here was very sharp, amounting to about 27 per cent. In addition, disposable income was further bolstered by a decline in direct personal tax collections. It is of interest to note that about 40 per cent of the over-the-year increase of \$1.5 billion in disposable income can be attributed to changes which have occurred in the flow of transfer payments from the government to the personal sector, and in the reverse flow of tax collections

from the personal sector to the government sector. National income, which does not reflect changes in these transfer-type transactions, was adversely affected in 1958 by a significant decline in the level of corporation profits, amounting to about 3 per cent.

A summary and consolidation of the series which accounted for the changes in total disposable income between 1957 and 1958, is given in the following table.

Changes in Disposable Income 1957 to 1958

	Year 1957	Year 1958	Change	Change ¹
	billions of dollars			%
Transfer Payments from Government	2.1	2.6	+0.5	+27.0
Personal Direct Taxes	-1.9	-1.8	+0.1	-6.3
Wages and Salaries	16.0	16.4	+0.4	+2.7
Net Income of Farm Operators	1.0	1.2	+0.2	+16.2
Interest, Dividends and Net Rental Income	2.0	2.1	+0.1	+5.8
Other Disposable Income	1.9	2.0	+0.1	+4.7
Total Disposable Income	21.1	22.6	+1.5	+7.1

¹ Per cent changes based on unrounded data.

Turning to the trend of income during 1958, the movement from quarter to quarter of most of the components was uniformly upward, though the rates of increase varied substantially as is indicated by the year-to-year comparisons shown in the preceding tables. The major exception occurred in the case of corporation profits, where the down-turn which had been under way since early in 1956 was reversed during the course of the year 1958.

Production and Employment in 1958

The volume of production in 1958 was up only slightly above 1957, by less than 1 per cent. In general, gains in non-farm output originating in the broad group of service industries were substantially offset by losses in the output of the commodity-producing industries, considered as a whole. This shift in the product pattern of output, continuing a trend evident in 1957, is related to the impact of recessionary influences which bore most heavily on the commodity-producing industries.

Among the primary industries, the trends were mixed. Agricultural output rose substantially, mainly as a result of higher output and sales of livestock associated with opportunities for export to the United States and higher domestic prices; crop production was about the same as that of the previous year. Production in the forestry industry fell by about 10 per cent in the year-over-year comparison, reflecting a further sharp decline in output of pulpwood which was partially offset by higher production of other forest products. However, in the last three quarters of 1958, after allowing for seasonal factors, production in forestry appears to have stabilized at a level somewhat higher than at the end of 1957. Production in mining, quarrying and oil wells was about the same as in 1957; greatly expanded production of uranium and natural gas was important in sustaining over-all mining production in the face of a major decline in output of nickel, asbestos, iron ore and crude petroleum. Deterioration in the export market for these products accounts for these declines in output, although in the case of nickel a prolonged industrial dispute involv-

ing a major producer was also a factor. Mining production followed a gently declining trend throughout the year.

Manufacturing production fell by nearly 4 per cent in the year-to-year comparison, virtually all the decline being in durable manufacturing. The majority of the durable group industries shared in the decline, with the drop in output being most pronounced in transportation equipment (13 per cent) and in iron and steel (12 per cent). However, output of non-metallic minerals, having risen a little in 1957, rose substantially in 1958. In addition, output of wood products was a little higher than in 1957, after a sharp decline in that year. The decline in the production of durables of 7 per cent in 1958 compares with one of 5 per cent in 1957.

The non-durables manufacturing group displayed mixed trends within a relatively unchanged total. Printing, publishing and allied industries, products of petroleum and coal, clothing, rubber products and textiles reduced production by rates ranging from 3 to 7 per cent; the decline in output in leather products and paper products was comparatively small; output in the remaining divisions continued to rise, the significant gains being in tobacco products (8 per cent) and in food and beverages (3 per cent).

The pattern of manufacturing production through the year 1958 after allowing for seasonal factors was one of recovery in the opening months rising to a peak in May, followed by a setback in the summer months, and renewed recovery in the last quarter. By December of 1958 the index of manufacturing production stood at 140.1 (1949 = 100), about 5 per cent above its low point one year earlier, but still 6 per cent below the peak reached in December 1956.

Production rose in all the service-producing industries in 1958 with the exception of transportation, communications and storage. The decline in the latter group was related to a drop in revenue freight car loadings of nearly 7 per cent; some other

forms of transport, including oil pipelines and shipping also handled a smaller volume of business in 1958 as commodity-producing industries reduced their scale of operations and the volume of imports declined.

Turning now to the employment side, the total number of persons with jobs in 1958 averaged 0.4 per cent lower than in 1957, though the number of persons with jobs in the non-agricultural sector was up by 0.2 per cent. With the growth in the labour force and the decline in the total number of persons with jobs, the number of persons without jobs and seeking work amounted to 6.6 per cent of the labour force in 1958, compared with 4.3 per cent in 1957.

Value-Volume-Price Comparisons

Taking the change in the price of all components together, it is estimated that the price element of total Gross National Expenditure was higher in 1958 by about 2 per cent. As has been noted, this price advance accounted for the greater part of the increase in the value of production from 1957, so that in volume terms the Gross National Product showed only a slight increase. The value,

volume and price components of each of the main expenditure categories are shown in the accompanying table.

It will be apparent that price factors were less conspicuous as an element of the value change in Gross National Product between 1958 and 1957, than in the preceding year. Almost all components of the Gross National Product registered smaller price advances in 1958 than in 1957. The price of consumer goods and services showed a further rise of 2.5 per cent, a somewhat more moderate advance than in 1957. The greater part of the increase was in the area of consumer services and non-durable goods; however, the price of consumer durable goods in 1958 also showed a small advance over the year 1957.

The capital goods sector in particular was less strongly influenced by advancing prices in 1958 than in the preceding year. The influence of moderating prices in this sector was reflected in both the machinery and equipment component and in the non-residential construction item; however, the price factor in residential construction advanced by about the same amount as in the previous year.

Percentage Change — Value, Volume and Price

	$\frac{\text{Year 1958}}{\text{Year 1957}}$			Price Change ¹
	Value	Volume	Price ¹	$\frac{\text{Year 1957}}{\text{Year 1956}}$
Personal Expenditure.....	5.2%	2.6%	2.5%	(3.5)%
Goods	4.5	2.6	1.8	(3.1)
Non-Durable.....	4.9	2.8	2.0	(2.9)
Durable.....	2.8	1.4	1.4	(3.9)
Services	6.6	2.8	3.6	(4.4)
Government Expenditure	7.2	3.8	2.4	(5.2)
Gross Fixed Capital Formation	-5.9	-7.9	2.2	(3.4)
New Residential Construction.....	25.1	22.3	2.5	(2.4)
New Non-Residential Construction.....	-9.3	-10.9	1.2	(2.8)
New Machinery and Equipment	-17.7	-19.7	2.7	(4.6)
Exports of Goods and Services.....	-1.5	0.9	-0.4	(0.5)
Imports of Goods and Services	-5.6	-5.9	1.1	(2.4)
Gross National Expenditure	2.3	0.5	2.1	(3.4)

¹ The price comparisons shown above are based on a set of fixed weight price indexes (1955 = 100), and not upon the implicit price deflators which can be derived by dividing the value series by the volume series. The latter are weighted by changes in the expenditure pattern over time; between 1957 and 1958, weight shifts of this nature were sufficiently large to affect the use of the implicit deflators for pure price analysis. (See page 177, *National Accounts, Income and Expenditure, 1926-1956* for a discussion of the effect of weight shifts on the implicit deflators). A specially constructed set of fixed weight price indexes has therefore been used for purposes of depicting price changes in the above table.

COMPONENTS OF GROSS NATIONAL EXPENDITURE

Personal Expenditure on Consumer Goods and Services

Personal expenditure on consumer goods and services rose to \$21.0 billion in 1958, more than 5 per cent higher than in the previous year. The increase was fairly well distributed over the three main categories of consumer spending, with a gain in services of more than 6 per cent, non-durables of about 5 per cent, and durables of about 3 per cent. Higher prices and increased real consumption were about equally important in accounting for the 5 per cent increase in total spending.

Consumer outlays for non-durable goods were up about 5 per cent in 1958, with expenditures on food up 5 per cent, and on clothing up 3 per cent. The element of price increase contained in the estimate for expenditure on non-durables amounted to 2 per cent and to that extent the gain in real consumption was lower than the value figures.

After showing no change in 1957, consumer purchases of durables rose about 3 per cent in 1958. Modest gains took place in all the durable groups. Purchases of new passenger cars were up by 5 per cent but this gain was partially offset by lower purchases of used cars, so that the two together rose by nearly 4 per cent. Since prices of durables are estimated to have risen by over 1 per cent between the two years, about one-half of the rise in outlays represents higher purchasing in real terms.

Continuing to make relatively large gains, outlays on services rose more than 6 per cent. Again, as in 1957, the advance in prices was most apparent in the services sector and nearly 4 percentage points of the gain mentioned above are accounted for by higher prices. Relatively large gains occurred in expenditure on shelter, household operation and utilities and medical care.

The rate of change in consumer expenditure was far from uniform through the year. The major part of the annual increase occurred in the first and final quarters, particularly in the latter; the second and third quarters showed only a small advance on a seasonally adjusted basis. This pattern in 1958 is largely the result of the decline in purchases of durables in the two middle quarters, but at the same time expenditures on non-durables remained virtually stable in this period.

The gain in total consumer expenditure in 1958 fell considerably short of the more than 7 per cent advance in personal disposable income. Thus a rise in the rate of personal saving, from \$1.1 billion in 1957 to \$1.6 billion in 1958, is one of the notable developments of the year. As a percentage of disposable income, personal saving amounted to 5.4 per cent in 1957 and 7.0 per cent in 1958, the latter being one of the highest ratios in the post-war period.

Investment in Inventories

Total holdings of inventories were reduced in 1958, by about \$0.4 billion, in contrast to the year 1957 when a moderate build-up of inventories occurred. The turnaround reflects mainly a shift in the position of business inventories from accumulation to liquidation, but farm inventories and grain in commercial channels also contributed to the running down of total stocks in 1958.

For the year as a whole, business inventories generally were reduced against a background of uncertain business conditions. The liquidation of \$276 million in 1958 was the largest annual decline in the post-war period and represented a turnaround of almost \$600 million from 1957.

This drawing down of business inventories in 1958 was concentrated mainly in the manufacturing industries, and was in part a response to reduced factory shipments as well as a drop in the backlog of unfilled orders. Also, with excess capacity in many industries, businessmen were able to obtain delivery on shorter notice, a factor which contributed to the trimming of stocks. Inventory liquidation was most pronounced in iron and steel products, and transportation equipment industries.

At the year-end, manufacturers in general had succeeded in reducing stock/shipments ratios sharply below the levels prevailing at year-end 1956 and 1957, and close to the low levels prevailing at the end of 1955. The most notable exception to this trend was the non-ferrous metal products industry, where stock/shipments ratios at the end of the year were higher than in the three previous years.

Trade inventories showed, on balance, a slight accumulation in 1958, mainly as a result of the continued build-up of stocks in retail food stores. This accumulation appears consistent with increased retail and wholesale sales in 1958. The pick-up in sales, however, reduced stock/sales ratios at the year-end below the level of the year-end 1957.

Gross Fixed Capital Formation

Business gross fixed capital formation, estimated at \$6,899 million in 1958, fell about 6 per cent from the level of the previous year, following three years of impressive increases. The total was the outcome of a major advance in outlays for housing and a drop in expenditures for both non-residential construction and machinery and equipment, especially the latter.

Investment in housing established new records in 1958; dwellings started rose to 164,600 units from 122,300 units, dwellings completed to 146,700 units from 117,300 units, and dwellings under construction at the year-end to 88,200 units from 72,600 a year earlier. Estimated at \$1,762 million in 1958,

expenditures on housing were 25 per cent higher than in 1957. Activity in housing was encouraged by Government advances to the Central Mortgage and Housing Corporation for mortgage lending under the National Housing Act and by the increased availability of financing from private sources. Somewhat more than half the houses started in 1958 were financed under the National Housing Act. Expenditures on housing rose continuously throughout the year.

Business expenditures for plant and equipment, estimated at \$5,137 million in 1958, were 13 per cent lower than in 1957, with the construction component down 9 per cent and the machinery and equipment component down 18 per cent. The distribution of investment by industry was strikingly altered. Outlays for financial services and for institutions rose sharply, but all other industries except agriculture curtailed their investment in varying degrees. The rate of decline was pronounced in the primary industries, particularly in mining, which showed a drop of 40 per cent. Investment in manufacturing fell 27 per cent, reflecting reduced outlays in all industry divisions except foods and beverages, tobacco products and products of petroleum and coal. The huge investment program of the utilities was lower by 8 per cent. The fact that some major projects initiated in previous years moved close to completion, without new projects of comparable size coming forward, was a factor in the trend of investment outlays in 1958.

So far as the trend through the year is concerned, expenditures for non-residential construction were falling in the second half of 1958 but purchases of machinery and equipment were stronger in the final quarter, after several successive declines.

The prices prevailing in the investment sector in 1958 were about 2 per cent higher than in 1957, so that the decline in the volume of investment was actually somewhat greater than the 6 per cent drop indicated by the value figures.

Exports and Imports of Goods and Services

Exports of goods and services in 1958 amounted to \$6.3 billion, 2 per cent lower than in 1957. The fall in receipts pertains largely to the service items; commodity exports held close to the level of the record year 1957.

Mixed trends in merchandise exports had developed in 1957 and were accentuated in 1958; the virtually unchanged total for the year was the outcome of large increases in some commodities and numerous declines in others. Two new resource products, uranium ores and concentrates, and natural gas, continued to make growing contributions to export totals, their value rising by about \$165 million between the two years. Other exports whose value rose sharply were wheat and flour, an increase

of about \$75 million; cattle, an increase of about \$45 million; and aircraft, an increase of about \$70 million. Decreases occurred in many traditional exports as well as in some of the new resource products. In the first category are pulp and paper, copper, nickel, lead, zinc and asbestos, and in the second, petroleum and iron ore; the value of exports of the last two items fell by about \$110 million. The quarter-to-quarter movement of commodity exports during the year was uneven, with a rise in the second quarter, a decline in the third, and a further sharp rise in the fourth.

Imports of goods and services in 1958 were \$7.4 billion, nearly 6 per cent less than in 1957. The bulk of the decline occurred in commodity imports; payments on invisible account were only slightly lower.

Most of the 8 per cent drop in commodity imports was concentrated in those groups where imports had risen very sharply during the period of rapidly rising investment in plant and equipment in 1955 and 1956. The biggest increases had been in metal products and it was these groups which accounted for some three-quarters of the decline in commodity imports in 1958; imports of iron and its products fell by 13 per cent and of non-ferrous metals by 11 per cent. Even more striking were the declines in imports of specific types of metal products; imports of mining and metallurgical machinery, rolling mill products and pipes, tubes and fittings were down by rates that ranged from 35 to 40 per cent. The reduction in imports of fuels was also large. The drawing down of inventories in the first half of the year was a further factor contributing to the drop in imports in 1958. However, imports of many consumer goods remained at much the same level as in the previous year. By the middle of 1958, the downtrend of imports of goods and services had levelled off, and in the last half of the year imports were rising again; the fourth quarter advance was one of the sharpest for several years.

Receipts from invisibles fell by 5 per cent in 1958, an important factor in the decline being lower earnings from freight and shipping. This development was associated with lower external trade in commodities having high transportation costs and further sales of Canadian vessels. Receipts from miscellaneous services were also considerably lower. Payments on invisibles in 1958 were only a little lower than in 1957. However, payments for freight and shipping were substantially lower, reflecting the drop in imports and a decline in rates for ocean shipping.

With commodity exports at \$4,890 million and commodity imports at \$5,064 million, the deficit on visible account in 1958 contracted sharply to \$174 million from \$579 million in 1957; the deficit on invisibles rose to \$889 million from \$823 million in the previous year. The over-all deficit was thus sharply reduced, falling from \$1.4 billion in 1957 to \$1.1 billion in 1958, a decline of 24 per cent.

Government Expenditure on Goods and Services

Government expenditure on goods and services rose to \$6.2 billion in 1958, some 7 per cent higher than in 1957. More than two-thirds of this advance is accounted for by increased outlays of the provincial and municipal government, reflecting mainly higher expenditures for capital works and for wages and salaries. At the federal level, outlays for goods

and services were higher by about 4 per cent in 1958. Defence expenditures were lower by about 6 per cent, but this decline was more than offset by a 23 per cent advance in outlays for goods and services for non-defence purposes; the latter reflected larger expenditures for public works, higher payments on wage and salary account, the service costs of the conversion loan, and larger purchases under the Agricultural Stabilization Act.

COMPONENTS OF GROSS NATIONAL PRODUCT

Wages and Salaries

Labour income rose to \$16.4 billion in 1958, almost 3 per cent above the level of the year 1957. The major part of this advance in labour income is accounted for by higher average weekly earnings.

Forestry, transportation, mining and manufacturing did not share in the annual advance in labour income. Labour income in forestry fell sharply, reflecting the much reduced level of employment in the industry. The decline in labour income in mining and manufacturing, about 1 per cent, is related in part to the incidence of industrial disputes in these industries.

Labour income rose in all the service-producing industries in 1958, except in transportation, reflecting generally expanded employment as well as further advances in average weekly earnings. In general, the increases were quite substantial; for example, finance, insurance and real estate and non-government services recorded gains of about 9 per cent.

Corporation Profits and Other Investment Income

Corporate profits before taxes and including dividends paid abroad declined more than 3 per cent in 1958, reflecting the impact of recessionary influences on corporate earnings.

The trend of corporate earnings by industry mirrored the mingled elements of weakness and strength present in the economy in 1958. The sharpest drop in profits—21 per cent—occurred in mining, quarrying and oil wells. Profits in manufacturing fell 8 per cent, the major declines being in iron and steel, petroleum and coal and electrical apparatus and supplies. This experience is related in part to the lower domestic demand for durable goods. Certain other manufacturing industries had higher earnings, notably foods and beverages, wood and paper products and chemicals.

In general, the service-connected industries earned somewhat higher profits in 1958. The major exception was wholesale trade where profits declined by 13 per cent. There was also some decline in earnings in transportation, communications and storage.

The quarterly pattern of corporate profits during 1958 reveals the sensitivity to changes in the tempo of economic activity characteristic of this component. After a series of successive declines, corporate profits stabilized in the second quarter of 1958 and then rose at an accelerating rate in the second half of the year. The increase in the final quarter of the year was quite pronounced and was fairly widespread by major industry groups.

Rent, interest and miscellaneous investment income, estimated at \$2.0 billion in 1958, was 6 per cent higher than in the previous year. All the components,—net rents, investment income of life insurance companies, trading profits of government enterprises and other miscellaneous investment income—contributed in varying degrees to this increase.

Net Income of Unincorporated Business

Accrued net income of farm operators from farm production is estimated to be \$1.2 billion in 1958, a major advance of 16 per cent over 1957. With little change in crop production, the source of the increase was larger output and higher prices for livestock and animal products.

Net income of non-farm unincorporated business rose to an estimated \$2.1 billion in 1958, 5 per cent higher than in 1957. The largest gains occurred in construction and fishing but retail trade and the service groups also showed some increases.

Indirect Taxes Less Subsidies

Indirect taxes less subsidies, estimated at \$3.9 billion in 1958, were slightly higher than in the preceding year. The increase reflected a small gain in yields from indirect taxes partly offset by a sharp rise in subsidies.

A 1 per cent increase in yields from indirect taxes was the outcome of largely offsetting changes in the revenues of the different levels of government. Revenues from this source dropped significantly at the federal level, mainly as a result of the fall in imports and the accompanying decline in the yield of customs import duties; excise taxes were also down. Higher yields from real and per-

sonal municipal taxes and increased revenues from provincial sales and gasoline taxes were largely responsible for raising indirect taxes in total.

Federal subsidies rose by 22 per cent, with agricultural subsidies accounting for most of the increase.

National Saving and Investment

Gross national saving declined by 12 per cent in 1958, from approximately \$6.1 billion in 1957 to \$5.3 billion. The decline was entirely attributable to a shift in the position of the government sector

from a small surplus in 1957 to a deficit of more than \$1 billion in 1958;* this change in the position of the government sector was partly offset by a sharp increase in the rate of personal saving, but the saving of the business sector remained unchanged from the previous year. As a percent of Gross National Product, total national saving amounted to 16 per cent in 1958 compared with 19 per cent in 1957.

* The deficits and surpluses referred to here are based on National Accounts definitions and thus differ from the conventional budgetary figures reported in the various public accounts.

	1957	1958	Change 1957 to 1958
billions of dollars			
Personal Saving	1.1	1.6	+0.4
Business Saving	4.9	4.8	-0.1
Government Deficit	—	-1.0	-1.1
Gross National Saving ¹	6.1	5.3	-0.8
Business Gross Fixed Capital Formation	7.3	6.9	-0.4
Change in Inventories	0.2	-0.4	-0.6
Net Foreign Investment	-1.4	-1.1	+0.3
Gross National Investment ¹	6.1	5.3	-0.8

¹ Figures will not add by + .1 or - .1 due to rounding.

The nation's total capital investment program for plant, machinery and equipment, housing, and inventories was considerably lower in 1958 than in the previous year. Business gross fixed capital formation declined by 6 per cent, while inventories shifted from a position of accumulation in 1957 to one of net liquidation in 1958. As in the preceding year, however, the amount of saving available from

domestic sources was insufficient to support the capital investment program. This short-fall in the nation's saving was met by drawing upon foreign resources, and the deficit on current account in 1958 amounted to \$1.1 billion, a decline of about 24 per cent from the \$1.4 billion deficit of the previous year.

Percentage Distribution of Gross National Expenditure, 1954-1958

Line No.		1954	1955	1956	1957	1958
1	Personal expenditure on consumer goods and services.....	65.1	64.1	61.6	62.8	64.6
2	Durable goods	7.9	8.3	8.0	7.6	7.7
3	Non-durable goods	33.7	33.4	31.8	32.6	33.4
4	Services	23.5	22.4	21.8	22.6	23.5
5	Government expenditure on goods and services	17.9	17.7	17.6	18.0	18.9
6	Federal	9.8	9.3	8.8	8.6	8.7
7	Provincial	3.0	3.1	3.4	3.6	3.9
8	Municipal	5.1	5.3	5.4	5.8	6.3
9	Business gross fixed capital formation	19.2	19.2	22.2	23.1	21.2
10	New residential construction	4.9	5.1	5.0	4.4	5.4
11	New non-residential construction	6.7	6.8	8.5	9.8	8.7
12	New machinery and equipment	7.6	7.3	8.7	8.9	7.1
13	Value of physical change in inventories	-0.6	1.1	3.5	0.7	-1.3
14	Non-farm business inventories	-0.2	0.5	2.6	1.0	-0.8
15	Farm inventories and grain in commercial channels	-0.4	0.6	0.9	-0.3	-0.5
16	Exports of goods and services	20.7	21.2	20.8	20.1	19.4
17	Imports of goods and services	-22.4	-23.7	-25.2	-24.5	-22.6
18	Residual error of estimate	0.1	0.4	-0.5	-0.2	-0.2
19	Gross National Expenditure	100.0	100.0	100.0	100.0	100.0

Percentage Distribution of National Income by Distributive Shares, 1954-1958

Line No.		1954	1955	1956	1957	1958
1	Wages, salaries, and supplementary labour income	65.4	63.8	64.3	67.0	66.6
2	Military pay and allowances	1.9	1.9	1.8	2.0	2.0
3	Corporation taxes before taxes	10.3	12.4	12.5	10.7	10.0
4	Rent, interest, and miscellaneous investment income	7.9	8.1	7.6	8.0	8.2
5	Accrued net income of farm operators from farm production	5.3	6.1	6.3	4.2	4.7
6	Net income of non-farm unincorporated business	8.7	8.6	8.5	8.4	8.6
7	Inventory valuation adjustment	0.5	-0.9	-1.0	-0.3	-0.1
8	Net National Income at factor cost	100.0	100.0	100.0	100.0	100.0

Percentage Distribution of Gross Domestic Product at Factor Cost, by Industry, 1954 - 1958

Line No.		1954	1955	1956	1957	1958
1	Agriculture	6.7	7.3	7.3	5.4	5.8
2	Forestry	1.8	1.8	1.7	1.4	1.1
3	Fishing and trapping	0.4	0.3	0.4	0.3	0.4
4	Mining, quarrying, and oil wells	4.0	4.4	4.4	4.4	4.0
5	Manufacturing	28.3	28.0	27.9	27.8	26.3
6	Construction	6.0	5.7	6.4	6.7	6.9
7	Transportation	6.7	7.1	7.3	7.2	6.7
8	Storage	0.3	0.3	0.3	0.3	0.3
9	Communication	1.9	1.9	2.0	2.1	2.1
10	Electric power, gas, and water utilities	2.7	2.7	2.8	3.0	3.3
11	Wholesale trade	4.5	4.4	4.6	4.9	4.8
12	Retail trade	9.3	9.2	9.0	9.1	9.4
13	Finance, insurance, and real estate	9.5	9.4	8.6	9.1	9.7
14	Public administration and defence	6.7	6.5	6.4	6.8	7.2
15	Service	11.2	11.0	10.9	11.5	12.0
16	Total	100.0	100.0	100.0	100.0	100.0

Percentage Distribution of Personal Income by Source, 1954 - 1958

Line No.		1954	1955	1956	1957	1958
1	Wages, salaries, and supplementary labour income	65.2	64.6	65.6	66.9	64.8
2	Military pay and allowances	2.0	2.0	2.0	2.1	2.0
3	Net income received by farm operators from farm production	5.5	6.1	6.5	4.4	4.8
4	Net income of non-farm unincorporated business	9.0	9.1	9.0	8.7	8.7
5	Interest, dividends, and net rental income of persons	9.3	9.3	8.7	8.7	8.7
6	Transfer payments (excluding interest)	9.0	8.9	8.2	9.2	11.0
7	Total	100.0	100.0	100.0	100.0	100.0

Selected Per Person Income and Product Series in Current and Constant Dollars, 1954 - 1958

Line No.		1954	1955	1956	1957	1958
Current Dollars						
1	Gross National Product	1,627	1,728	1,902	1,915	1,907
2	Personal Income	1,205	1,257	1,361	1,388	1,431
3	Personal Disposable Income	1,111	1,162	1,253	1,272	1,326
4	Personal Expenditure on Consumer Goods and Services	1,058	1,108	1,171	1,203	1,233
Constant (1949) Dollars						
5	Gross National Product	1,320	1,396	1,481	1,432	1,400
6	Personal Expenditure on Consumer Goods and Services	893	934	970	964	962

Section A
INCOME AND EXPENDITURE ACCOUNTS

1. Summary Tables

TABLE 1. National Income and Gross National Product, 1954 - 1958

Line No.		1954	1955	1956	1957	1958
millions of dollars						
1	Wages, salaries, and supplementary labour income	12,432	13,223	14,890	15,996	16,434
2	Military pay and allowances	367	394	424	476	491
3	Corporation profits before taxes ¹	1,963	2,570	2,908	2,547	2,475
4	Rent, interest, and miscellaneous investment income	1,511	1,684	1,767	1,905	2,026
5	Accrued net income of farm operators from farm production ²	1,017	1,264	1,450	996	1,157
6	Net income of non-farm unincorporated business ³	1,656	1,791	1,965	2,011	2,119
7	Inventory valuation adjustment ⁴	86	-189	-238	-71	-29
8	Net National Income at factor cost	19,032	20,737	23,166	23,860	24,673
9	Indirect taxes less subsidies	2,947	3,237	3,636	3,848	3,858
10	Capital consumption allowances and miscellaneous valuation adjustments	2,905	3,266	3,642	3,994	3,923
11	Residual error of estimate	-13	-108	141	71	55
12	Gross National Product at market prices	24,871	27,132	30,585	31,773	32,509

¹ Excludes dividends paid to non-residents.² Includes changes in farm inventories as follows:

1954	- 75
1955	198
1956	241
1957	-152
1958	-115

An adjustment has been made to take account of the accrued earnings of farm operators arising out of the operations of the Canadian Wheat Board. (See footnote 5, Table 52).

³ Includes net income of independent professional practitioners.⁴ See footnote 5, Table 2.

TABLE 2. Gross National Expenditure, 1954 - 1958

Line No.		1954	1955	1956	1957	1958
millions of dollars						
1	Personal expenditure on consumer goods and services	16,175	17,389	18,833	19,964	21,012
2	Government expenditure on goods and services ¹	4,461	4,792	5,386	5,738	6,150
3	Current expenditure ²	3,519	3,758	4,126	4,356	4,632
4	Gross fixed capital formation ³	942	1,034	1,260	1,382	1,518
5	Business gross fixed capital formation ⁴	4,779	5,210	6,774	7,335	6,899
6	New residential construction	1,227	1,378	1,526	1,409	1,762
7	New non-residential construction	1,671	1,848	2,589	3,103	2,813
8	New machinery and equipment	1,881	1,984	2,659	2,823	2,324
9	Value of physical change in inventories ⁵	-130	311	1,084	210	-424
10	Non-farm business inventories	- 40	133	808	311	-276
11	Farm inventories and grain in commercial channels	- 90	178	276	-101	-148
12	Exports of goods and services ⁶	5,147	5,764	6,365	6,394	6,289
13	Deduct: Imports of goods and services	-5,574	-6,443	-7,715	-7,796	-7,361
14	Residual error of estimate	13	109	-142	-72	-56
15	Gross National Expenditure at market prices	24,871	27,132	30,585	31,773	32,509

¹ Includes defence expenditure which is shown in footnote 2, Table 37.² Also includes net purchases of government commodity agencies and the defence production revolving fund. Excludes shipments of previously produced military equipment to NATO countries but includes replacements of new equipment.³ Includes outlay on new durable assets such as building and highway construction by governments, other than government business enterprises (for detail see Table 43, footnote 1, and Table 54, lines 2, 3 and 4).⁴ Includes capital expenditures by private and government business enterprises, private non-commercial institutions, and outlays on new residential construction by individuals and business investors. Total "Private and Public Investment in Canada" can be obtained by adding lines 4 and 5.⁵ The book value of inventories is deflated to remove the effect of price changes and the derived "physical" change is then valued at average prices of the current period to obtain the value of physical change. The difference between this value of physical change and the change in book value is called the inventory valuation adjustment (see line 7, Table 1).⁶ Excludes shipments of military equipment to NATO countries under the Defence Appropriation Act. See also Table 55.

TABLE 3. Relation between Net National Income at Factor Cost, Personal Income, Personal Disposable Income, and Personal Net Saving, 1954-1958

Line No.		1954	1955	1956	1957	1958
millions of dollars						
1	Net National Income at factor cost	19,032	20,737	23,166	23,860	24,673
2	Add: Transfer payments (excluding interest on the public debt and charitable contributions from corporations) ¹	1,634	1,737	1,766	2,079	2,640
3	Add: Interest on the public debt ¹	669	669	714	741	787
4	Deduct: Earnings not paid out to persons ²	-2,914	-3,405	-3,761	-3,656	-3,709
5	Equals: Personal income	18,421	19,738	21,885	23,024	24,391
6	Deduct: Personal direct taxes	-1,437	-1,499	-1,732	-1,917	-1,791
7	Equals: Personal disposable income	16,984	18,239	20,153	21,107	22,600
8	Deduct: Personal expenditure on consumer goods and services	-16,175	-17,389	-18,833	-19,964	-21,012
9	Equals: Personal net saving	809	850	1,320	1,143	1,588
10	Value of physical change in farm inventories	-75	198	241	-152	-115
11	Personal saving excluding change in farm inventories	884	652	1,079	1,295	1,703

¹ Since National Income excludes transfer payments and personal income includes them, items 2 and 3 are added back here. However, charitable contributions from corporations are not added since they are included in National Income.

² This item includes: undistributed corporation profits, corporation profits taxes, withholding taxes, government investment income, adjustment on grain transactions, inventory valuation adjustment, and employer and employee contributions to social insurance and government pension funds.

TABLE 4. Relation between Gross National Product at Market Prices and Gross Domestic Product at Factor Cost, 1954-1958

Line No.		1954	1955	1956	1957	1958
millions of dollars						
1	Gross National Product at market prices	24,871	27,132	30,585	31,773	32,509
2	Deduct: Residual error of estimate	13	108	-141	-71	-55
3	Indirect taxes less subsidies	-2,947	-3,237	-3,636	-3,848	-3,858
4	Income received from non-residents	-147	-160	-142	-149	-161
5	Add: Income paid to non-residents	423	483	523	593	594
6	Gross domestic product at factor cost	22,213	24,326	27,189	28,298	29,029

TABLE 5. Gross National Expenditure in Constant (1949) Dollars, 1954-1958

Line No.		1954	1955	1956	1957	1958
millions of dollars						
1	Personal expenditure on consumer goods and services	13,650	14,662	15,603	15,984	16,403
2	Government expenditure on goods and services	3,415	3,563	3,794	3,832	3,977
3	<i>Current expenditure</i>	2,676	2,767	2,869	2,866	2,935
4	<i>Gross fixed capital formation</i>	739	796	925	966	1,042
5	Business gross fixed capital formation	3,723	3,962	4,891	5,085	4,686
6	<i>New residential construction</i>	946	1,040	1,110	997	1,219
7	<i>New non-residential construction</i>	1,272	1,365	1,816	2,107	1,877
8	<i>New machinery and equipment</i>	1,505	1,557	1,965	1,981	1,590
9	Change in inventories	-216	419	955	138	-366
10	<i>Non-farm business inventories</i>	-39	134	648	270	-182
11	<i>Farm inventories and grain in commercial channels</i>	-177	285	307	-132	-184
12	Exports of goods and services	4,616	4,969	5,340	5,360	5,408
13	Deduct: Imports of goods and services	-5,013	-5,742	-6,662	-6,596	-6,207
14	Residual error of estimate	11	87	-110	-54	-41
15	Gross National Expenditure in constant (1949) dollars	20,186	21,920	23,811	23,749	23,860
16	Index, line 15, 1949 = 100	123.5	134.1	145.7	145.3	146.0

TABLE 6. Implicit Price Indexes - Gross National Expenditure, 1954-1958¹

Line No.		1954	1955	1956	1957	1958
1	Personal expenditure on consumer goods and services	118.5	118.6	120.7	124.9	128.1
2	Government expenditure on goods and services	130.6	134.5	142.0	149.7	154.6
3	Current expenditure	131.5	135.8	143.8	152.0	157.8
4	Gross fixed capital formation	127.5	129.9	136.2	143.1	145.7
5	Business gross fixed capital formation	128.4	131.5	138.5	144.2	147.2
6	New residential construction	129.7	132.5	137.5	141.3	144.6
7	New non-residential construction	131.4	135.4	142.6	147.3	149.9
8	New machinery and equipment	125.0	127.4	135.3	142.5	146.2
9	Exports of goods and services	111.5	116.0	119.2	119.3	116.3
10	Imports of goods and services	111.2	112.2	115.8	118.2	118.6
11	Residual error of estimate	122.5	124.7	129.1	133.7	135.9
12	Gross National Expenditure at market prices	123.2	123.8	128.4	133.8	136.2

¹ These implicit indexes are currently weighted price indexes. They reflect not only pure price changes, but also changing expenditure patterns within and between major groups. The implicit price index for Gross National Expenditure is derived by dividing the total of current dollars by the total of constant dollars.

2. Analysis of Income and Expenditure Accounts
by Sectors of the Canadian Economy

TABLE 7. Personal Income and Expenditure Account, 1954 - 1958

Income

Item No.		1954	1955	1956	1957	1958
		millions of dollars				
1	Wages, salaries, and supplementary labour income:					
	(a) From business (28 a)	10,454	11,081	12,517	13,356	13,514
	(b) From governments (19 bi)	1,545	1,682	1,871	2,085	2,309
	(c) From persons (9 b)	433	460	502	555	611
	(d) Deduct employer and employee contributions to social insurance and government pension funds (17).....	-422	-476	-532	-589	-619
2	Military pay and allowances (19 bii)	367	394	424	476	491
3	Net income received by farm operators from farm production ¹ (28 c) ..	1,009	1,200	1,430	1,002	1,161
4	Net income of non-farm unincorporated business (28 e)	1,656	1,791	1,965	2,011	2,119
5	Interest, dividends, and net rental income of persons ² (44 a)	1,719	1,840	1,908	2,013	2,129
6	Transfer payments (excluding interest):					
	(a) From governments (20 b)	1,634	1,737	1,766	2,079	2,640
	(b) Charitable contributions from corporations (44 b)	26	29	34	36	36
7	Total	18,421	19,738	21,885	23,024	24,391

¹ This item differs from line 5 of Table 1 in that it excludes the adjustment which has been made to take account of the accrued net earnings arising out of the operations of the Canadian Wheat Board.

² Includes all government debt interest paid to persons.

TABLE 8. Personal Income and Expenditure Account, 1954 - 1958

Expenditure

Item No.		1954	1955	1956	1957	1958
		millions of dollars				
8	Personal direct taxes:					
	(a) Income taxes (12 a)	1,296	1,297	1,496	1,693	1,553
	(b) Succession duties (12 b)	78	127	146	126	126
	(c) Miscellaneous (12 c)	63	75	90	98	112
9	Purchases of goods and services:					
	(a) From business (24 a)	15,266	16,375	17,714	18,762	19,732
	(b) Direct services (1 c)	433	460	502	555	611
	(c) Travel expenditure (34 a)	389	449	498	525	544
	(d) Other expenditures abroad (34 b)	87	105	119	122	125
10	Personal net saving ¹ (48)	809	850	1,320	1,143	1,588
11	Total	18,421	19,738	21,885	23,024	24,391

¹ This series includes changes in farm inventories, see Table 3.

TABLE 9. Government Revenue and Expenditure Account, 1954 - 1958¹
Revenue

Item No.		1954	1955	1956	1957	1958
millions of dollars						
12	Direct taxes — Persons:					
	(a) Income taxes (8a)	1,296	1,297	1,496	1,693	1,553
	(b) Succession duties (8b)	78	127	146	126	126
	(c) Miscellaneous (8c)	63	75	90	98	112
13	Direct taxes — Corporations:					
	(a) Income tax collections (44c)	1,176	1,109	1,373	1,551	1,333
	(b) Excess of income tax liabilities over income tax collections (44d)	-94	163	40	-225	-53
14	Withholding taxes (44e)	58	67	69	83	48
15	Indirect taxes (29a)	3,033	3,319	3,759	3,964	3,998
16	Investment income:					
	(a) Interest (44f)	237	238	258	294	340
	(b) Profits of government business enterprises (44g)	450	515	576	571	606
17	Employer and employee contributions to social insurance and government pension funds (1d)	422	476	532	589	619
18	Total²	6,719	7,386	8,339	8,744	8,682

¹ See also Table 36.

² Inter-governmental transfers are not included in this total, since in the consolidation of the government sector such transactions cancel out. For details of inter-governmental transfers, see Table 46.

TABLE 10. Government Revenue and Expenditure Account, 1954 - 1958¹
Expenditure

Item No.		1954	1955	1956	1957	1958
millions of dollars						
19	Purchase of goods and services: ²					
	(a) From business (24b)	2,549	2,716	3,091	3,177	3,350
	(b) Direct services:					
	(i) Wages and salaries (1b)	1,545	1,682	1,871	2,085	2,309
	(ii) Military pay and allowances (2)	367	394	424	476	491
20	Transfer payments:					
	(a) Interest (45)	669	669	714	741	787
	(b) Other (6a)	1,634	1,737	1,766	2,079	2,640
21	Subsidies (29b)	86	82	123	116	140
22	Surplus (+) or deficit (-) (on transactions relating to the National Accounts) ³ (51)	-131	106	350	70	-1,035
23	Total⁴	6,719	7,386	8,339	8,744	8,682

¹ See also Table 37.

² See line 2, Table 2.

³ For a reconciliation of the federal content of this consolidated surplus (or deficit) with the conventional federal budgetary surplus (or deficit) see Table 53.

⁴ In addition to total expenditure, this item includes the government surplus or deficit. Inter-governmental transfers are not included in this total, since in the consolidation of the government sector such transactions cancel out. For details of inter-governmental transfers, see Table 46.

TABLE 11. Business Operating Account, 1954 - 1958
Revenue

Item No.		1954	1955	1956	1957	1958
		millions of dollars				
24	Sales to residents:					
	(a) Persons (9a)	15,266	16,375	17,714	18,762	19,732
	(b) Governments ¹ (19a)	2,549	2,716	3,091	3,177	3,350
	(c) Business gross fixed capital formation: ²					
	(i) New residential construction (54a)	1,227	1,378	1,526	1,409	1,762
	(ii) New non-residential construction (54b)	1,671	1,848	2,589	3,103	2,813
	(iii) New machinery and equipment (54c)	1,881	1,984	2,659	2,823	2,324
	(d) Value of physical change in inventories (55)	-130	311	1,084	210	-424
25	Sales to non-residents:					
	(a) Travel expenditure (38b)	305	328	337	363	352
	(b) Other (38c)	4,695	5,276	5,886	5,882	5,776
26	Residual error of estimate	13	109	-142	-72	-56
27	Total	27,477	30,325	34,744	35,657	35,629

¹ See footnotes 1, 2, 3, Table 2.

² See footnote 4, Table 2.

TABLE 12. Business Operating Account, 1954 - 1958
Expenditure

Item No.		1954	1955	1956	1957	1958
		millions of dollars				
28	Factor costs:					
	(a) Wages, salaries, and supplementary labour income (1a)	10,454	11,081	12,517	13,356	13,514
	(b) Investment income (excluding interest and dividends received from non-residents and including interest and dividends paid to non-residents) (41)	3,750	4,577	5,056	4,896	4,934
	(c) Net income received by farm operators from farm production ¹ (3)	1,009	1,200	1,430	1,002	1,161
	(d) Adjustment on grain transactions ² (49c)	8	64	20	-6	-4
	(e) Net income of non-farm unincorporated business (4)	1,656	1,791	1,965	2,011	2,119
	(f) Inventory valuation adjustment (50)	86	-189	-238	-71	-29
29	Other costs:					
	(a) Indirect taxes (15)	3,033	3,319	3,759	3,964	3,998
	(b) Less subsidies (21)	-86	-82	-123	-116	-140
	(c) Capital consumption allowances and miscellaneous valuation adjustments (49b)	2,905	3,266	3,642	3,994	3,923
30	Purchases from non-residents (33b)	4,675	5,406	6,575	6,556	6,098
31	Residual error of estimate	-13	-108	141	71	55
32	Total	27,477	30,325	34,744	35,657	35,629

¹ See footnote 1, Table 7.

² This item is the adjustment to take account of the accrued earnings of farm operators arising out of the operations of the Canadian Wheat Board. See footnote 5, Table 52.

TABLE 13. Non-Residents' Revenue and Expenditure Account, 1954-1958¹
 Receipts from Canada
 (Canadian Imports)

Item No.		1954	1955	1956	1957	1958
		millions of dollars				
33	Receipts from business:					
	(a) Interest and dividends (46 a)	354	416	455	515	508
	(b) Other than interest and dividends (30)	4,675	5,406	6,575	6,556	6,098
34	Receipts from persons:					
	(a) Travel expenditure (9 c)	389	449	498	525	544
	(b) All other receipts (9 d)	87	105	119	122	125
35	Receipts from Government — Interest (46 b)	69	67	68	78	86
36	Surplus (+) or deficit (–) on current account (on transactions relating to the National Accounts) (56)	–427	–679	–1,350	–1,402	–1,072
37	Total	5,147	5,764	6,365	6,394	6,289

¹ These figures differ from those shown in reports on *The Canadian Balance of International Payments*, Dominion Bureau of Statistics, because adjustments have been made to the figures of receipts and payments to achieve consistency with other component series. See Table 55.

TABLE 14. Non-Residents' Revenue and Expenditure Account, 1954-1958¹
 Payments to Canada
 (Canadian Exports)

Item No.		1954	1955	1956	1957	1958
		millions of dollars				
38	Payments to business:					
	(a) Interest and dividends (42 a)	61	80	73	76	73
	(b) Travel expenditure (25 a)	305	328	337	363	352
	(c) Other payments (25 b)	4,695	5,276	5,886	5,882	5,776
39	Payments to other sectors:					
	Interest and dividends (42 b)	86	80	69	73	88
40	Total	5,147	5,764	6,365	6,394	6,289

¹ See footnote 1, Table 13.

TABLE 15. Investment Income Appropriation Account, 1954-1958
 Source

Item No.		1954	1955	1956	1957	1958
		millions of dollars				
41	Investment income (excluding interest and dividends received from non-residents and including interest and dividends paid to non-residents) (28 b)	3,750	4,577	5,056	4,896	4,934
42	Interest and dividends from non-residents received by:					
	(a) Corporations (38 a)	61	80	73	76	73
	(b) Other sectors (39)	86	80	69	73	88
43	Total	3,897	4,737	5,198	5,045	5,095

TABLE 16. Investment Income Appropriation Account, 1954-1958
Disposition

Item No.		1954	1955	1956	1957	1958
		millions of dollars				
44	To Canadian residents:					
	(a) Interest, dividends, and net rental income of persons (5).....	1,719	1,840	1,908	2,013	2,129
	(b) Charitable contributions from corporations (6 b)	26	29	34	36	36
	(c) Corporation income tax collections (13 a)	1,176	1,109	1,373	1,551	1,333
	(d) Excess of corporation income tax liabilities over collections (13 b)	-94	163	40	-225	-53
	(e) Withholding taxes (14)	58	67	69	83	48
	(f) Government interest revenue (16 a)	237	238	258	294	340
	(g) Profits of government business enterprises (16 b)	450	515	576	571	606
	(h) Undistributed corporation profits (49 a)	571	962	1,131	870	849
45	Less: Interest on the public debt (20 a)	-669	-669	-714	-741	-787
46	To non-residents, interest and dividends received from:					
	(a) Business (33 a)	354	416	455	515	508
	(b) Government (35)	69	67	68	78	86
47	Total	3,897	4,737	5,198	5,045	5,095

TABLE 17. National Saving Account, 1954-1958
Source

Item No.		1954	1955	1956	1957	1958
		millions of dollars				
48	Personal net saving (10)	809	850	1,320	1,143	1,588
49	Business gross saving:					
	(a) Undistributed corporation profits (44 h)	571	962	1,131	870	849
	(b) Capital consumption allowances and miscellaneous valuation adjustments (29 c)	2,905	3,266	3,642	3,994	3,923
	(c) Adjustment on grain transactions (28 d)	8	64	20	-6	-4
50	Inventory valuation adjustment (28 f)	86	-189	-238	-71	-29
51	Government surplus (+) or deficit (-) (22)	-131	106	350	70	-1,035
52	Residual error of estimate	-13	-108	141	71	55
53	Total	4,235	4,951	6,386	6,071	5,347

TABLE 18. National Saving Account, 1954-1958
Disposition

Item No.		1954	1955	1956	1957	1958
millions of dollars						
54	Business gross fixed capital formation: ¹					
	(a) New residential construction (24 ci)	1,227	1,378	1,526	1,409	1,762
	(b) New non-residential construction (24 cii)	1,671	1,848	2,589	3,103	2,813
	(c) New machinery and equipment (24 ciii)	1,881	1,984	2,659	2,823	2,324
55	Value of physical change in inventories (24 d)	-130	311	1,084	210	-424
56	Surplus (+) or deficit (-) on current account with non-residents ² (36)	-427	-679	-1,350	-1,402	-1,072
57	Residual error of estimate	13	109	-142	-72	-56
58	Total	4,235	4,951	6,366	6,071	5,347

¹ See footnote 4, Table 2. For reconciliation with "private and public investment" figures published by the Department of Trade and Commerce, see Table 54.

² See footnote 1, Table 13.

TABLE 19. Sector Accounts Consolidation, 1954 - 1958
National Income and Gross National Product

Line No.		1954	1955	1956	1957	1958
millions of dollars						
	Income originating in:					
	Personal sector:					
1	Wages, salaries, and supplementary labour income	433	460	502	555	611
2	Business sector	16,963	18,524	20,750	21,188	21,695
3	Wages, salaries, and supplementary labour income	10,454	11,081	12,517	13,356	13,514
4	Investment income (excluding interest and dividends received from non-residents and including interest and dividends paid to non-residents)	3,750	4,577	5,056	4,896	4,934
5	Net income received by farm operators from farm production	1,009	1,200	1,430	1,002	1,161
6	Adjustment on grain transactions	8	64	20	-6	-4
7	Net income of non-farm unincorporated business	1,656	1,791	1,965	2,011	2,119
8	Inventory valuation adjustment	86	-189	-238	-71	-29
9	Government sector	1,912	2,076	2,295	2,561	2,800
10	Wages, salaries, and supplementary labour income	1,545	1,682	1,871	2,085	2,309
11	Military pay and allowances	367	394	424	476	491
12	Non-residents' sector	-276	-323	-381	-444	-433
	Interest and dividends paid by non-residents:					
13	(a) To Canadian corporations	61	80	73	76	73
14	(b) To other Canadian sectors	86	80	69	73	88
	Less interest and dividends received by non-residents:					
15	(a) From Canadian business	-354	-416	-455	-515	-508
16	(b) From Canadian governments	-69	-67	-68	-78	-86
17	Net national income at factor cost	19,032	20,737	23,166	23,860	24,673
18	Capital consumption allowances and miscellaneous valuation adjustments	2,905	3,266	3,642	3,994	3,923
19	Indirect taxes	3,033	3,319	3,759	3,964	3,998
20	Less subsidies	-86	-82	-123	-116	-140
21	Residual error of estimate	-13	-108	141	71	55
22	Gross National Product at market prices	24,871	27,132	30,585	31,773	32,509

TABLE 20. Sector Accounts Consolidation, 1954-1958
Gross National Expenditure

Line No.		1954	1955	1956	1957	1958
		millions of dollars				
1	Personal expenditure on consumer goods and services	16,175	17,389	18,833	19,964	21,012
2	Purchases from business	15,266	16,375	17,714	18,762	19,732
3	Purchases of direct services	433	460	502	555	611
4	Purchases from non-residents	476	554	617	647	669
5	Government expenditure on goods and services	4,461	4,792	5,386	5,738	6,150
6	Purchases from business	2,549	2,716	3,091	3,177	3,350
7	Wages and salaries	1,545	1,682	1,871	2,085	2,309
8	Military pay and allowances	367	394	424	476	491
9	Business gross fixed capital formation	4,779	5,210	6,774	7,335	6,899
10	New residential construction	1,227	1,378	1,526	1,409	1,762
11	New non-residential construction	1,671	1,848	2,589	3,103	2,813
12	New machinery and equipment	1,881	1,984	2,659	2,823	2,324
13	Value of physical change in inventories	-130	311	1,084	210	-424
14	Exports of goods and services	5,147	5,764	6,365	6,394	6,289
15	Payments to Canadian business	5,061	5,684	6,296	6,321	6,201
16	Payments to other sectors	86	80	69	73	88
17	Imports of goods and services	-5,574	-6,443	-7,715	-7,796	-7,361
18	Receipts from Canadian business	-5,029	-5,822	-7,030	-7,071	-6,606
19	Receipts from persons	-476	-554	-617	-647	-669
20	Receipts from government	-69	-67	-68	-78	-86
21	Residual error of estimate	13	109	-142	-72	-56
22	Gross National Expenditure at market prices	24,871	27,132	30,585	31,773	32,509

Section B

INDUSTRIAL DISTRIBUTION OF GROSS DOMESTIC
PRODUCT AND OTHER AGGREGATES

TABLE 21. Gross Domestic Product at Factor Cost, by Industry, 1954 - 1958¹

Line No.		1954	1955	1956	1957	1958
		millions of dollars				
1	Agriculture	1,482	1,767	1,973	1,520	1,683
2	Forestry	406	438	462	407	329
3	Fishing and trapping	89	85	98	89	106
4	Mining, quarrying, and oil wells	887	1,071	1,196	1,232	1,166
5	Manufacturing	6,291	6,779	7,605	7,869	7,626
6	Construction	1,325	1,385	1,752	1,909	2,011
7	Transportation	1,499	1,719	1,983	2,034	1,951
8	Storage	60	68	79	81	80
9	Communication	422	473	532	583	617
10	Electric power, gas, and water utilities	594	664	768	860	949
11	Wholesale trade	999	1,080	1,260	1,376	1,394
12	Retail trade	2,075	2,243	2,437	2,582	2,731
13	Finance, insurance, and real estate ¹	2,113	2,298	2,337	2,571	2,816
14	Public administration and defence	1,478	1,590	1,738	1,929	2,094
15	Service	2,493	2,666	2,969	3,256	3,476
16	Total	22,213	24,326	27,189	28,298	29,029

¹ For a reconciliation between Gross National Product at market prices and gross domestic product at factor cost, see Table 4. It should be noted that the data for wages, salaries, and supplementary labour income; and the inventory valuation adjustment are on an establishment basis, while the data for net income of unincorporated business; investment income; and capital consumption allowances and miscellaneous valuation adjustments are on an enterprise basis.

Details by industry on capital consumption allowances and miscellaneous valuation adjustments, and the inventory valuation adjustment are not given pending further research, and Tables 22 to 24 are therefore not additive to the above data.

² This group includes ownership of dwellings.

TABLE 22. Wages, Salaries, and Supplementary Labour Income, by Industry, 1954 - 1958¹

Line No.		1954	1955	1956	1957	1958
		millions of dollars				
1	Agriculture	139	161	172	173	176
2	Forestry	323	342	388	355	291
3	Fishing and trapping	21	20	23	21	26
4	Mining, quarrying, and oil wells	425	457	528	568	562
5	Manufacturing	4,053	4,299	4,766	4,997	4,947
6	Construction	889	936	1,239	1,347	1,369
7	Transportation	1,061	1,123	1,247	1,302	1,274
8	Storage	41	44	49	53	55
9	Communication	278	303	342	385	420
10	Electric power, gas, and water utilities	211	212	249	274	297
11	Wholesale trade	693	739	830	916	953
12	Retail trade	1,125	1,187	1,304	1,418	1,480
13	Finance, insurance, and real estate	513	554	619	700	756
14	Public administration and defence ¹	1,478	1,590	1,738	1,929	2,094
15	Service	1,549	1,650	1,820	2,034	2,225
16	Total	12,799	13,617	15,314	16,472	16,925

¹ Includes military pay and allowances.

TABLE 23. Investment Income, by Industry, 1954 - 1958¹

Line No.		1954	1955	1956	1957	1958
millions of dollars						
1	Agriculture.....	43	44	48	53	54
2	Forestry	16	21	17	4	—
3	Fishing and trapping	—	—	—	—	—
4	Mining, quarrying, and oil wells	235	342	402	355	287
5	Manufacturing	1,231	1,552	1,722	1,581	1,467
6	Construction	95	86	122	146	167
7	Transportation	103	215	263	182	174
8	Storage	13	12	16	11	11
9	Communication	62	74	81	73	79
10	Electric power, gas, and water utilities	235	301	334	377	420
11	Wholesale trade	172	244	325	303	285
12	Retail trade	264	319	379	394	421
13	Finance, insurance, and real estate	1,110	1,178	1,129	1,173	1,311
14	Public administration and defence	—	—	—	—	—
15	Service	171	189	218	244	258
16	Total	3,750	4,577	5,056	4,896	4,934

¹ The total of this table does not agree with the sum of corporation profits: and rent, interest, and miscellaneous investment income in Table 1. Data in Table 1 are on a national concepts basis, while the data in this table are on a domestic concepts basis. Interest and dividends paid to non-residents are included in this table and interest and dividends received from non-residents are excluded from this table.

TABLE 24. Accrued Net Income of Farm Operators from Farm Production and Net Income of Non-Farm Unincorporated Business, by Industry, 1954 - 1958

Line No.		1954	1955	1956	1957	1958
millions of dollars						
1	Agriculture	1,017	1,264	1,450	996	1,157
2	Forestry	48	62	54	35	30
3	Fishing and trapping	40	39	49	40	53
4	Mining, quarrying, and oil wells	6	6	6	6	6
5	Manufacturing	151	151	176	188	176
6	Construction	231	264	270	280	351
7	Transportation	59	66	71	72	73
8	Storage, communication; and electric power, gas, and water utilities	—	—	—	—	—
9	Retail trade	444	488	544	569	585
10	Wholesale trade	52	55	59	59	60
11	Finance, insurance, and real estate	55	63	68	68	70
12	Service	570	597	668	694	715
13	Total	2,673	3,035	3,415	3,007	3,276

TABLE 25. Business Gross Fixed Capital Formation, by Industry, 1954-1958¹

Line No.		1954	1955	1956	1957	1958
millions of dollars						
1	Agriculture	400	426	488	434	469
2	Fishing and trapping					
3	Forestry	46	63	76	48	33
4	Mining, quarrying, and oil wells	278	336	542	606	362
5	Manufacturing	822	947	1,394	1,479	1,082
6	Construction	97	174	200	158	133
7	Transportation	430	384	717	1,032	926
8	Storage					
9	Communication ²	192	219	254	312	331
10	Electric power, gas, and water utilities ³	537	527	786	959	873
11	Trade	368	329	325	370	345
12	Finance, insurance, and real estate ⁴	1,334	1,480	1,650	1,545	1,941
13	Service ⁵	275	325	342	392	404
14	Total	4,779	5,210	6,774	7,335	6,899

¹ This table is derived from *Private and Public Investment in Canada, Outlook 1957, 1958 and 1959*. Additional detail has been provided by the D.B.S. Business Finance Division, and adjustments have been made to bring the data into line with National Accounting concepts. See reconciliation statement, Table 54. For an industrial distribution of total private and public investment, see Table 1 in the aforementioned publications.

² Excludes investment expenditures by the Canadian Broadcasting Corporation, which are included in "government expenditure on goods and services".

³ Includes outlays for investment of grain elevators of \$14 million in 1954, \$11 million in 1955, \$14 million in 1956, and \$10 million in 1957 and 1958. This industry is assigned to the storage group under the Standard Industrial Classification.

⁴ Includes all new residential construction, (exclusive of government other than government business enterprises). See Table 2, line 6.

⁵ Excludes government departmental expenditures, federal hospital, provincial hospital and school, and municipal school expenditures, which are included with "government expenditure on goods and services". Investment expenditures of government business enterprises (railways, power commissions, etc.) are included under appropriate industry headings.

TABLE 26. Value of Physical Change in Inventories, by Industry, 1954-1958

Line No.		1954	1955	1956	1957	1958
millions of dollars						
1	Agriculture	-75	198	241	-152	-115
2	Forestry	1	9	3	-4	-21
3	Fishing and trapping	-	-	-	-	-
4	Mining, quarrying, and oil wells	15	-6	15	54	44
5	Manufacturing	-117	-6	433	128	-224
6	Construction	6	18	29	-6	-13
7	Transportation	-12	-32	28	7	-21
8	Storage					
9	Communication	-	-2	16	21	3
10	Electric power, gas, and water utilities	-	-2	16	21	3
	Trade:					
11	Grain in commercial channels	-15	-20	35	51	-33
12	Wholesale (excluding grain in commercial channels)	5	47	127	75	-32
13	Retail	62	109	155	32	-11
14	Finance, insurance, and real estate	-	-4	2	4	-1
15	Service					
16	Total	-130	311	1,084	210	-424

TABLE 27. Corporation Profits, by Industry, 1954 - 1958

Line No.		1954	1955	1956	1957	1958
		millions of dollars				
1	Agriculture.....	15	21	16	4	—
2	Forestry					
3	Fishing and trapping					
4	Mining, quarrying, and oil wells	221	325	382	329	259
5	Manufacturing	1,186	1,515	1,646	1,474	1,360
6	Construction	89	77	106	129	151
7	Transportation.....	81	144	177	148	160
8	Storage	11	11	15	10	10
9	Communication	39	43	48	47	49
10	Electric power, gas, and water utilities	49	55	60	63	69
11	Wholesale trade.....	151	222	295	267	251
12	Retail trade	130	170	213	205	218
13	Finance, insurance, and real estate	269	326	318	275	327
14	Service	49	56	69	76	76
15	Total¹	2,290	2,965	3,345	3,027	2,930

¹ For an analysis to total corporation profits see Table 50. For an explanation of the contents of this total, see footnote 1, Table 50.



Section C

GEOGRAPHICAL DISTRIBUTION OF PERSONAL INCOME

TABLE 28. Personal Income, Geographical Distribution, 1954 - 1958¹

Line No.		1954	1955	1956	1957	1958
		millions of dollars				
1	Newfoundland	258	277	311	332	354
2	Prince Edward Island	69	69	78	78	86
3	Nova Scotia	607	627	675	722	761
4	New Brunswick	435	450	497	507	530
5	Quebec	4,647	4,847	5,318	5,719	6,013
6	Ontario	7,397	7,918	8,617	9,322	9,839
7	Manitoba	927	999	1,126	1,123	1,240
8	Saskatchewan	809	1,022	1,226	1,007	1,106
9	Alberta	1,309	1,410	1,635	1,641	1,823
10	British Columbia	1,911	2,064	2,332	2,499	2,567
11	Yukon and Northwest Territories	27	31	43	39	36
12	Foreign Countries ²	25	24	27	35	36
13	Canada	18,421	19,738	21,885	23,024	24,391

¹ Geographical distributions of the main components only of personal income are given in Tables 31 to 35 inclusive; these tables, therefore, do not add to the total of personal income.

² Includes receipts of income of Canadians temporarily abroad, including pay and allowances of Canadian armed forces abroad.

TABLE 29. Personal Income per Person, Geographical Distribution, 1954 - 1958

Line No.		1954	1955	1956	1957	1958
		dollars				
1	Newfoundland	653	682	749	779	808
2	Prince Edward Island	683	690	788	788	860
3	Nova Scotia	902	918	971	1,029	1,072
4	New Brunswick	806	823	895	897	919
5	Quebec	1,059	1,073	1,149	1,202	1,231
6	Ontario	1,446	1,504	1,594	1,658	1,696
7	Manitoba	1,126	1,191	1,325	1,306	1,425
8	Saskatchewan	927	1,164	1,392	1,146	1,245
9	Alberta	1,239	1,292	1,456	1,415	1,518
10	British Columbia	1,476	1,538	1,667	1,681	1,663
11	Yukon and Northwest Territories	1,000	1,069	1,387	1,258	1,091
12	Canada	1,205	1,257	1,361	1,388	1,431

TABLE 30. Personal Disposable Income,¹ Geographical Distribution, 1954 - 1958

Line No.		1954	1955	1956	1957	1958
		millions of dollars				
1	Newfoundland	245	264	294	315	339
2	Prince Edward Island	67	67	75	76	84
3	Nova Scotia	574	601	644	692	732
4	New Brunswick	410	431	474	483	499
5	Quebec	4,331	4,463	4,900	5,239	5,579
6	Ontario	6,729	7,219	7,774	8,402	8,987
7	Manitoba	864	933	1,051	1,043	1,160
8	Saskatchewan	752	964	1,178	953	1,049
9	Alberta	1,217	1,323	1,536	1,526	1,712
10	British Columbia	1,745	1,922	2,160	2,307	2,389
11	Yukon and Northwest Territories	25	28	40	36	34
12	Foreign Countries ²	25	24	27	35	36
13	Canada	16,984	18,239	20,153	21,107	22,600

¹ Personal disposable income consists of total personal income less personal direct taxes.² Taxes paid by Canadians temporarily abroad cannot be estimated and all direct taxes are allocated to provincial personal incomes only.TABLE 31. Wages, Salaries, and Supplementary Labour Income,¹ Geographical Distribution, 1954 - 1958

Line No.		1954	1955	1956	1957	1958
		millions of dollars				
1	Newfoundland	177	191	215	227	230
2	Prince Edward Island	31	33	36	38	40
3	Nova Scotia	390	405	440	467	478
4	New Brunswick	279	293	327	333	340
5	Quebec	3,213	3,377	3,817	4,100	4,210
6	Ontario	5,189	5,546	6,198	6,731	6,936
7	Manitoba	604	635	700	736	763
8	Saskatchewan	439	445	499	534	566
9	Alberta	784	839	961	1,024	1,088
10	British Columbia	1,298	1,426	1,649	1,761	1,742
11	Yukon and Northwest Territories	22	26	39	34	31
12	Foreign Countries	6	7	9	11	10
13	Canada	12,432	13,223	14,890	15,996	16,434

¹ Excludes military pay and allowances, includes employer and employee contributions to social insurance and government pension funds.

**TABLE 32. Net Income Received by Farm Operators From Farm Production,¹
Geographical Distribution, 1954 - 1958**

Line No.		1954	1955	1956	1957	1958
		millions of dollars				
1	Newfoundland	2	2	2	2	2
2	Prince Edward Island	12	11	13	9	12
3	Nova Scotia	17	15	16	15	14
4	New Brunswick	21	17	25	19	18
5	Quebec	217	218	186	179	192
6	Ontario	293	316	297	307	357
7	Manitoba	62	82	127	71	109
8	Saskatchewan	145	296	443	174	182
9	Alberta	190	197	273	177	224
10	British Columbia	50	46	48	49	51
11	Yukon and Northwest Territories	—	—	—	—	—
12	Canada	1,009	1,200	1,430	1,002	1,161

¹ This item differs from line 5 Table 1, in that it excludes the adjustment which has been made to take account of the accrued earnings arising out of the operations of the Canadian Wheat Board.

TABLE 33. Net Income of Non-Farm Unincorporated Business, Geographical Distribution, 1954 - 1958

Line No.		1954	1955	1956	1957	1958
		millions of dollars				
1	Newfoundland	28	29	33	34	34
2	Prince Edward Island	9	8	10	10	10
3	Nova Scotia	63	69	75	75	79
4	New Brunswick	46	50	52	49	51
5	Quebec	374	395	439	448	466
6	Ontario	628	688	736	749	796
7	Manitoba	99	101	109	113	119
8	Saskatchewan	86	89	104	113	118
9	Alberta	118	135	155	164	172
10	British Columbia	203	224	250	254	272
11	Yukon and Northwest Territories	2	3	2	2	2
12	Canada	1,656	1,791	1,965	2,011	2,119

**TABLE 34. Interest, Dividends, and Net Rental Income of Persons,
Geographical Distribution, 1956 - 1958**

Line No.		1954	1955	1956	1957	1958
		millions of dollars				
1	Newfoundland	16	17	18	17	18
2	Prince Edward Island	5	6	6	7	7
3	Nova Scotia	47	46	48	57	59
4	New Brunswick	34	33	34	34	35
5	Quebec	440	439	446	485	507
6	Ontario	751	828	850	906	971
7	Manitoba	82	86	94	97	103
8	Saskatchewan	54	78	83	75	77
9	Alberta	107	122	129	127	135
10	British Columbia	182	184	199	207	216
11	Yukon and Northwest Territories	1	1	1	1	1
12	Foreign Countries	—	—	—	—	—
13	Canada	1,719	1,840	1,908	2,013	2,129

TABLE 35. Government Transfer Payments, Excluding Interest, Geographical Distribution, 1956 - 1958

Line No.		1954	1955	1956	1957	1958
		millions of dollars				
1	Newfoundland	38	42	47	55	74
2	Prince Edward Island	10	11	11	13	16
3	Nova Scotia	69	72	73	84	104
4	New Brunswick	59	59	62	75	89
5	Quebec	443	467	483	564	697
6	Ontario	525	541	549	651	805
7	Manitoba	78	90	89	99	142
8	Saskatchewan	93	121	105	120	174
9	Alberta	109	118	121	149	207
10	British Columbia	208	214	224	267	329
11	Yukon and Northwest Territories	1	1	1	1	2
12	Foreign Countries	1	1	1	1	1
13	Canada	1,634	1,737	1,766	2,079	2,640

Section D

GOVERNMENT SUPPLEMENTARY TABLES

TABLE 36. Government Revenue and Expenditure, by Level of Government, 1954-1958¹
Revenue

Line No.		1954	1955	1956	1957	1958
		millions of dollars				
1	Direct taxes — Persons	1,437	1,499	1,732	1,917	1,791
2	Federal	1,319	1,325	1,550	1,723	1,581
3	Provincial	112	159	165	176	192
4	Municipal	6	15	17	18	18
5	Direct taxes — Corporations	1,082	1,272	1,413	1,326	1,280
6	Federal ²	1,018	1,210	1,334	1,120	1,047
7	Provincial	64	62	79	206	223
	Withholding taxes:					
8	Federal	58	67	69	83	48
9	Indirect taxes	3,033	3,319	3,759	3,964	3,998
10	Federal	1,612	1,744	1,972	1,990	1,912
11	Provincial	655	739	846	932	955
12	Municipal	766	836	941	1,042	1,131
13	Investment income	687	753	834	865	946
14	Federal	234	267	296	276	308
15	Provincial	289	309	346	383	415
16	Municipal	164	177	192	206	223
17	Employer and employee contributions to social insurance and government pension funds	422	476	532	589	619
18	Federal	287	324	357	384	391
19	Provincial	126	140	162	191	213
20	Municipal	9	12	13	14	15
21	Transfers from other levels of government	704	799	865	989	1,198
22	Provinces — From Canada	428	443	476	504	639
23	From municipalities	15	22	18	26	23
24	Municipalities — From Canada	2	7	9	16	22
25	From provinces	259	327	362	443	514
26	Total revenue	7,423	8,185	9,204	9,733	9,880
27	Federal	4,528	4,937	5,578	5,576	5,287
28	Provincial	1,689	1,874	2,092	2,418	2,670
29	Municipal	1,206	1,374	1,534	1,739	1,923

¹ For total government revenue and expenditure excluding inter-governmental transfers, see Tables 9 and 10.
² For details of tax collections and tax liabilities, see Table 50.

TABLE 37. Government Revenue and Expenditure, by Level of Government, 1954-1958¹
Expenditure

line No.		1954	1955	1956	1957	1958
		millions of dollars				
1	Goods and services	4,461	4,792	5,386	5,738	6,150
2	Federal ²	2,449	2,510	2,683	2,727	2,847
3	Provincial	747	846	1,041	1,149	1,265
4	Municipal	1,265	1,436	1,662	1,862	2,038
5	Transfer payments	2,303	2,406	2,480	2,820	3,427
6	Federal	1,665	1,726	1,748	1,982	2,445
7	Provincial	526	560	605	685	809
8	Municipal	112	120	127	153	173
9	Subsidies	86	82	123	116	140
10	Federal	84	75	118	108	132
11	Provincial	2	7	5	8	8
12	Transfers to other levels of governments	704	799	865	989	1,198
13	Canada — To provinces	428	443	476	504	639
14	To municipalities	2	7	9	16	22
15	Provinces — To municipalities	259	327	362	443	514
16	Municipalities — To provinces	15	22	18	26	23
17	Total expenditure	7,554	8,079	8,854	9,663	10,915
18	Federal	4,628	4,761	5,034	5,337	6,085
19	Provincial	1,534	1,740	2,013	2,285	2,596
20	Municipal	1,392	1,578	1,807	2,041	2,234
21	Deficit (—) or surplus (+)	-131	106	350	70	-1,035
22	Federal ³	-100	176	544	239	-798
23	Provincial	155	134	79	133	74
24	Municipal	-186	-204	-273	-302	-311
25	Total expenditure minus deficit (or plus surplus)	7,423	8,185	9,204	9,733	9,880
26	Federal	4,528	4,937	5,578	5,576	5,287
27	Provincial	1,689	1,874	2,092	2,418	2,670
28	Municipal	1,206	1,374	1,534	1,739	1,923

¹ For total government revenue and expenditure excluding inter-governmental transfers, see Tables 9 and 10.

² Defence expenditures included in these figures are as follows: 1954, \$1,727 million; 1955, \$1,760 million; 1956, \$1,802 million; 1957, \$1,765 million; 1958, \$1,661 million.

³ For the difference between this item and the conventional budgetary surplus or deficit, see reconciliation, Table 53.

TABLE 38. Direct Taxes — Persons, 1954-1958

line No.		1954	1955	1956	1957	1958
		millions of dollars				
	Federal:					
1	Income	1,277	1,269	1,461	1,652	1,509
2	Succession duties	41	55	88	69	70
3	Miscellaneous	1	1	1	2	2
4	Total	1,319	1,325	1,550	1,723	1,581
	Provincial:					
5	Income	19	28	35	41	44
6	Motor vehicle licences and permits ¹	32	36	47	50	51
7	Succession duties	37	72	58	57	56
8	Hospital	9	9	7	11	22
9	Miscellaneous	15	14	18	17	19
10	Total	112	159	165	176	192
	Municipal:					
11	Miscellaneous	6	15	17	18	18
12	Grand total	1,437	1,499	1,732	1,917	1,791

¹ Personal share only. The business share is treated as an indirect tax.

TABLE 39. Direct Taxes — Corporations, 1954-1958

Line No.		1954	1955	1956	1957	1958
		millions of dollars				
	Federal:					
1	Income	1,018	1,210	1,334	1,120	1,047
	Provincial:					
2	Income	53	51	63	185	211
3	Tax on mining and logging profits	11	11	16	21	22
4	Total	64	62	79	206	233
5	Grand total	1,082	1,272	1,413	1,326	1,280

TABLE 40. Indirect Taxes, 1954-1958

Line No.		1954	1955	1956	1957	1958
		millions of dollars				
	Federal:					
1	Banks and insurance companies	14	14	15	17	—
2	Customs import duties	387	452	545	523	478
3	Excise duties	225	242	267	287	313
4	Excise taxes	974	1,028	1,131	1,150	1,107
5	Miscellaneous	12	8	14	13	14
6	Total	1,612	1,744	1,972	1,990	1,912
	Provincial:					
7	Amusement	23	21	21	21	22
8	Corporation tax (not on profits)	18	18	22	23	25
9	Gasoline	235	261	290	339	353
10	Licences, fees, and permits	22	24	25	26	26
11	Motor vehicle licences and permits ¹	56	61	78	78	86
12	Miscellaneous taxes on natural resources	83	104	119	123	111
13	Real and personal property	7	9	8	8	8
14	Retail sales tax (including liquor and tobacco)	139	158	191	201	202
15	Miscellaneous	72	83	92	113	122
16	Total	655	739	846	932	955
	Municipal:					
17	Amusement	3	2	2	2	3
18	Licences, fees, and permits	22	26	27	32	33
19	Real and personal property	626	682	765	853	916
20	Retail sales tax	37	44	52	53	68
21	Miscellaneous	78	82	95	102	111
22	Total	766	836	941	1,042	1,131
23	Grand total	3,033	3,319	3,759	3,964	3,998

¹ Business share only. The personal share is treated as a direct tax.

TABLE 41. Government Investment Income, 1954 - 1958

Line No.		1954	1955	1956	1957	1958
		millions of dollars				
	Federal:					
1	Interest on government-held public funds.....	63	68	77	86	90
2	Interest on loans, advances and investments	69	60	55	63	92
3	Profits (net of losses) of government business enterprises.....	102	139	164	127	126
4	Total	234	267	296	276	308
	Provincial:					
5	Interest on government-held public funds.....	37	38	41	47	50
6	Interest on loans, advances and investments	42	43	53	62	68
7	Profits (net of losses) of government business enterprises	210	228	252	274	297
8	Total.....	289	309	346	383	415
	Municipal:					
9	Interest on government-held public funds.....	7	8	9	9	10
10	Interest on loans, advances and investments	19	21	23	27	30
11	Profits (net of losses) of government business enterprises	138	148	160	170	183
12	Total	164	177	192	206	223
13	Grand total	687	753	834	865	946

TABLE 42. Employer and Employee Contributions to Social Insurance and Government Pension Funds, 1954 - 1958

Line No.		1954	1955	1956	1957	1958
		millions of dollars				
	Federal:					
1	Public service pensions	129	159	173	193	206
2	Unemployment insurance.....	158	165	184	191	185
3	Total	287	324	357	384	391
	Provincial:					
4	Public service pensions	41	49	54	65	75
5	Workmen's compensation.....	71	77	90	106	118
6	Industrial employees' vacations	14	14	18	20	20
7	Total	126	140	162	191	213
	Municipal:					
8	Public service pensions	9	12	13	14	15
9	Grand total	422	476	532	589	619

TABLE 43. Government Expenditure on Goods and Services, 1954 - 1958

Line No.		1954	1955	1956	1957	1958
		millions of dollars				
1	Federal:	619	664	736	810	889
	Wages, salaries, and supplementary labour income	367	394	424	476	491
2	Military pay and allowances	1,463	1,452	1,523	1,441	1,467
3	Other purchases of goods and services	2,449	2,510	2,683	2,727	2,847
4	Total¹					
5	Provincial:	320	350	390	438	501
	Wages, salaries, and supplementary labour income	427	496	651	711	764
6	Other purchases of goods and services	747	846	1,041	1,149	1,265
7	Total¹					
8	Municipal:	606	668	745	837	919
	Wages, salaries, and supplementary labour income	659	768	917	1,025	1,119
9	Other purchases of goods and services	1,265	1,436	1,662	1,862	2,038
10	Total¹					
11	Grand total	4,461	4,792	5,386	5,738	6,150

¹ Includes fixed capital formation by governments. The major portion of this fixed capital formation is in "other purchases of goods and services". A small portion of the total fixed capital formation is also in the line called "wages, salaries, and supplementary labour income" for work done by the governments' own work force. Fixed capital formation by levels of government is shown below:

	1954	1955	1956	1957	1958
	millions of dollars				
Federal	290	297	379	365	400
Provincial	300	351	460	535	599
Municipal	352	386	421	482	519
Total	942	1,034	1,260	1,382	1,518

TABLE 44. Government Transfer Payments Including Interest, 1954 - 1958

Line No.		1954	1955	1956	1957	1958
		millions of dollars				
1	Federal:	362	378	394	423	470
	Family allowances	6	4	3	2	2
2	Re-establishment credits	3	2	1	1	1
3	Rehabilitation benefits	117	119	119	128	137
4	Pensions World Wars I and II ¹	31	39	44	49	59
5	War veterans' allowances	241	229	210	305	492
6	Unemployment insurance benefits	2	33	5	2	21
7	Prairie farm assistance act	25	38	42	46	50
8	Pensions to government employees	504	494	524	519	544
9	Interest on the public debt	350	363	376	433	555
10	Old age security fund payments					39
11	Payments to western grain producers					30
12	Grants to universities	24	27	30	28	9
13	Assistance to immigrants				14	36
14	Miscellaneous				32	
15	Total	1,665	1,726	1,748	1,982	2,445
16	Provincial:	14	17	20	21	29
	Direct relief	58	62	70	77	84
17	Workmen's compensation benefits	56	57	60	65	81
18	Old age pensions	27	33	37	49	63
19	Mothers' and dependents' allowances	20	23	25	28	31
20	Pensions to government employees	228	248	264	287	358
21	Grants to private non-commercial institutions	97	97	105	118	126
22	Interest on the public debt	26	23	24	40	37
23	Miscellaneous	526	560	605	685	809
24	Total					
25	Municipal:	16	18	19	21	23
	Direct relief	5	7	7	8	8
26	Pensions to government employees	23	17	16	20	25
27	Grants to private non-commercial institutions	68	78	85	104	117
28	Interest on the public debt	112	120	127	153	173
29	Total					
30	Grand total	2,303	2,406	2,480	2,820	3,427

¹ Excludes pensions paid to non-residents, which are treated as government expenditure on goods and services. The amount in the terminal years 1954 and 1958 were \$12 million and \$14 million, respectively.

TABLE 45. Subsidies, 1954 - 1958

Line No.		1954	1955	1956	1957	1958
		millions of dollars				
	Federal:					
	Agricultural:					
1	Feed freight assistance, western grain	19	16	17	17	19
2	Hog premiums	5	6	6	6	6
3	Agricultural commodities stabilization board loss	3	6	5	6	15
4	Assistance re storage costs on grain	—	—	44	32	37
5	Miscellaneous	6	2	1	2	4
6	Total	33	30	73	63	81
	Other subsidies:					
7	Emergency gold mines assistance	15	11	9	9	10
8	Maritime freight rates act	11	11	12	12	15
9	Movement of coal	12	11	9	9	9
10	Miscellaneous	13	12	15	15	17
11	Total other	51	45	45	45	51
12	Total federal subsidies	84	75	118	108	132
13	Total provincial subsidies	2	7	5	8	8
14	Grand total	86	82	123	116	140

TABLE 46. Transfers to Other Levels of Government, 1954 - 1958

Line No.		1954	1955	1956	1957	1958
		millions of dollars				
	Federal:					
	To provinces:					
1	Old age and blind pensions	23	21	24	24	34
2	Disabled persons allowances	—	4	7	9	15
3	Subsidies to provinces	20	20	20	21	21
4	Taxation agreements	330	329	359	362	425
5	Health grants to provinces	31	34	34	33	39
6	Miscellaneous	24	35	32	55	105
7	Sub-total	428	443	476	504	639
	To municipalities:					
8	Payments to municipalities	2	7	9	16	22
9	Total	430	450	485	520	661
	Provincial:					
10	To municipalities	259	327	362	443	514
	Municipal:					
11	To provinces	15	22	18	26	23
12	Grand total	704	799	865	989	1,198

Section E
MISCELLANEOUS TABLES

TABLE 47. Personal Expenditure on Consumer Goods and Services, 1954-1958

Line No.		1954	1955	1956	1957	1958
millions of dollars						
1	Food	4,030	4,236	4,571	4,920	5,167
2	Tobacco and alcoholic beverages	1,114	1,181	1,278	1,370	1,424
3	Tobacco products and smokers' accessories	461	480	527	571	587
4	Alcoholic beverages	653	701	751	799	837
5	Clothing and personal furnishings	1,826	1,900	2,037	2,099	2,159
6	Men's and boys' clothing	411	430	463	471	477
7	Women's and children's clothing	779	808	871	898	921
8	Footwear	226	231	242	252	269
9	Laundry and dry cleaning	135	142	156	166	169
10	Other	275	289	305	312	323
11	Shelter ¹	2,192	2,454	2,621	2,871	3,090
12	Gross rents paid by tenants	639	694	729	797	859
13	Expenses (taxes, insurance, etc.) paid by owner occupants	689	788	911	1,039	1,144
14	Net imputed residential rent and imputed residential capital consumption allowances	668	770	760	804	856
15	Other	196	202	221	231	231
16	Household operation	2,104	2,272	2,509	2,585	2,704
17	Fuel	334	358	415	420	431
18	Electricity	191	212	235	257	272
19	Gas	44	47	52	60	69
20	Telephone	172	188	221	241	267
21	Furniture	249	284	315	307	308
22	Home furnishings	211	224	245	251	259
23	Appliances, radios and television sets	412	460	491	489	493
24	Other	491	499	535	560	605
25	Transportation	1,800	2,023	2,211	2,339	2,444
26	Street-car, railway and other fares	313	317	338	361	370
27	New automobiles, used automobiles (net) and house trailers	859	1,018	1,090	1,093	1,134
28	Automotive operating expenses	628	688	783	885	940
29	Personal and medical care and death expenses	1,091	1,166	1,316	1,430	1,526
30	Medical and dental care	225	240	280	292	307
31	Hospital care, private duty nursing, accident and sickness insurance prepaid medical care	406	440	490	551	602
32	Other	460	486	546	587	617
33	Miscellaneous	2,018	2,157	2,290	2,350	2,498
34	Motion picture theatres ²	97	86	81	77	77
35	Newspapers and magazines	175	182	184	187	209
36	Net expenditure abroad	108	156	204	204	234
37	Other	1,638	1,733	1,821	1,882	1,978
38	Grand total	16,175	17,389	18,833	19,964	21,012
39	Durable goods	1,970	2,245	2,431	2,431	2,499
40	Major durable goods ³	1,731	1,986	2,142	2,139	2,194
41	Miscellaneous durable goods ⁴	239	259	289	292	305
42	Non-durable goods ⁵	8,373	9,065	9,736	10,357	10,860
43	Services ^{5 6}	5,832	6,079	6,666	7,176	7,653

¹ Excludes transient shelter.² Excludes amusement taxes.³ Includes house trailers, new automobiles, net expenditure on used automobiles, home furnishings, furniture, and appliances, radios and television sets.⁴ Includes jewellery, watches, clocks, silverware, toys, sporting and wheeled goods, and tools and garden equipment.⁵ Beginning with the year 1955, the classification of the items electricity and gas (items 18 and 19 above) was changed from services to non-durable goods.⁶ Includes net expenditure abroad.

TABLE 48. Personal Expenditure on Consumer Goods and Services in Constant (1949) Dollars, 1954 - 1958

Line No.		1954	1955	1956	1957	1958
		millions of dollars				
1	Food	3,598	3,785	4,023	4,154	4,237
2	Tobacco and alcoholic beverages	1,049	1,109	1,198	1,265	1,304
3	Clothing and personal furnishings	1,662	1,744	1,855	1,905	1,934
4	Shelter	1,536	1,645	1,710	1,794	1,879
5	Household operation	1,795	1,966	2,169	2,202	2,275
6	Transportation	1,541	1,817	1,928	1,927	1,983
7	Personal and medical care and death expenses	842	883	968	992	1,003
8	Miscellaneous	1,627	1,713	1,752	1,745	1,788
9	Grand total	13,650	14,662	15,603	15,984	16,403
10	Durable goods	1,724	2,066	2,209	2,127	2,157
11	Non-durable goods ¹	7,535	8,187	8,705	9,021	9,276
12	Services ^{1 2}	4,391	4,409	4,689	4,836	4,970

¹ See footnote 5, table 47.

² Includes net expenditure abroad.

TABLE 49. Imputed Items Included in Gross National Expenditure, 1954 - 1958¹

Line No.		1954	1955	1956	1957	1958
		millions of dollars				
	Expenditure on consumer goods and services:					
	Food:					
1	Farm consumed farm produce	182	179	170	167	172
2	Other ²	91	95	103	104	101
	Shelter:					
3	Imputed net residential rent and imputed residential capital consumption allowances	668	770	760	804	856
4	Imputed lodging, non-residential ³	29	29	33	36	38
5	Other ⁴	160	153	159	165	169
6	Total of imputed items in consumer expenditure	1,130	1,226	1,225	1,276	1,336
	Government expenditure on goods and services:					
7	Imputed gross rent on government-owned buildings	153	168	181	194	207
8	Total of imputed items	1,283	1,394	1,406	1,470	1,543

¹ All these items are also included in the various components of Gross National Product.

² Includes food issued to members of the armed forces and to employees in lieu of wages.

³ Lodging in bunk houses, ships, hotels, etc., furnished to employees in lieu of wages.

⁴ Includes clothing issued to the armed forces, wood fuel cut and used on farms, and estimated services rendered by farms without specific charge.

TABLE 50. Analysis of Corporation Profits, 1954-1958

Line No.		1954	1955	1956	1957	1958
millions of dollars						
1	Corporation profits before taxes ¹	1,963	2,570	2,908	2,547	2,475
2	Add: Dividends paid to non-residents	327	395	437	480	455
3	Corporation profits including dividends paid to non-residents	2,290	2,965	3,345	3,027	2,930
4	Deduct: Corporation income tax liabilities ²	-1,082	-1,272	-1,413	-1,326	-1,280
5	Excess of tax liabilities over collections	-94	163	40	-225	-53
6	Tax collections	1,176	1,109	1,373	1,551	1,333
7	Corporation profits after taxes	1,208	1,693	1,932	1,701	1,650
8	Deduct: Dividends paid to non-residents	-327	-395	-437	-480	-455
9	Corporation profits retained in Canada	881	1,298	1,495	1,221	1,195
10	Deduct: Dividends paid to Canadian persons	-284	-307	-330	-315	-310
11	Charitable contributions from corporations	-26	-29	-34	-36	-36
12	Undistributed corporation profits	571	962	1,131	870	849

¹ Line 1 is identical with the total shown in Table 1 and represents corporation profits before taxes on a national concept basis. As dividends paid to non-residents - which must be excluded on a national concept basis - are really a distribution of profits, it is necessary to add them back to arrive at a figure of total profits as such - line 3. Lines 4 to 12 provide an analytical breakdown of line 3. For an industrial distribution of total profits (line 3) see Table 27.

² Includes elective tax on undistributed income of \$7 million in 1954 and \$8 million in 1955.

TABLE 51. Capital Consumption Allowances and Miscellaneous Valuation Adjustments by "Form of Organization", 1954-1958

Line No.		1954	1955	1956	1957	1958
millions of dollars						
1	Corporations	1,521	1,733	1,976	2,227	2,142
2	Individuals and unincorporated businesses	1,170	1,281	1,366	1,432	1,432
3	Government business enterprises	214	252	300	335	349
4	Capital consumption allowances and miscellaneous valuation adjustments ¹	2,905	3,266	3,642	3,994	3,923

¹ Including net bad debt allowances (charges less recoveries) as follows:

1954	1955	1956	1957	1958
millions of dollars				
57	40	41	43	47

Section F

RECONCILIATION STATEMENTS

TABLE 52. Accrued Net Income of Farm Operators from Farm Production, 1954 - 1958
Reconciliation Statement

Line No.		1954	1955	1956	1957	1958
		millions of dollars				
1	Net income of farm operators from farming operations ¹	1,029	1,290	1,458	1,062	1,278
2	Deduct: Amounts included in investment income ²	-43	-45	-46	-46	-51
3	Deduct: Transfer payments under prairie farm assistance act and payments to western grain producers ³	-2	-33	- 5	- 2	-60
4	Other adjustments ⁴	25	-12	23	-12	- 6
5	Equals: Net income received by farm operators from farm production	1,009	1,200	1,430	1,002	1,161
6	Adjustment on grain transactions ¹	8	64	20	-6	-4
7	Accrued net income of farm operators from farm production⁶	1,017	1,264	1,450	996	1,157

¹ These figures are published by the Agriculture Division, Dominion Bureau of Statistics.

² This item includes corporation profits in agriculture and imputed net rent of owner-occupied houses.

³ These items are deducted since transfer payments are excluded from Net National Income at factor cost.

⁴ These adjustments consist of an estimate of net income of farm operators from farming operations in Newfoundland and an adjustment for the difference in the valuation of the physical change in inventories. The Agriculture Division values the change in the quantity of farm held grain at average annual prices, whereas the National Accounts estimates value this quantity change each quarter in terms of average quarterly prices.

⁵ Since the National Income measures earnings arising out of current production rather than receipts of income, it is appropriate to include in Table 1 income accruing to farm operators from farm production rather than income received. Accordingly, an adjustment has been made to take account of the accrued earnings of farm operators arising out of the operations of the Canadian Wheat Board.

⁶ See also Table 1, line 5.

TABLE 53. Federal Government Surplus or Deficit, 1954 - 1958
Reconciliation of Federal Government Transactions Related to the National Accounts with
Public Accounts Data, 1954 - 1958

Line No.		1954	1955	1956	1957	1958
		millions of dollars				
1	Surplus or deficit as per Public Accounts, 1953- 54 to 1957- 58	46	-152	- 33	258	- 38
2	Difference between fiscal and calendar year ²	-195	11	305	- 73	-409
3	Extra-budgetary receipts, pension and social insurance funds ³	654	700	790	859	859
4	Excess of corporation tax accruals over collections	- 94	163	40	-225	- 53
5	Revenue items omitted	- 79	- 21	- 37	- 68	- 22
6	Extra-budgetary expenditures, pension and social insurance funds ..	-618	-663	-633	-787	-1,119
7	Reserves, write-offs and similar items charged to expenditures	145	104	118	247	219
8	Shipment of previously produced military equipment to NATO (less expenditures of defence equipment replacement account)	5	- 2	- 22	- 32	-188
9	Other adjustments	36	36	16	60	- 47
10	Surplus or deficit as per National Accounts	-100	176	544	239	-798

¹ Source: Public Accounts of the Federal Government.

² It should be noted that the Public Accounts fiscal year figures include only three months of the calendar year in which the fiscal year ends. For example fiscal year 1956-57 includes only January to March 1957, the balance of the fiscal year being in the calendar year 1956. An adjustment is therefore necessary to the fiscal figures to exclude the nine months which apply to the calendar year 1956, and to include the nine months of the calendar year 1957 not covered by the 1956-57 fiscal year.

³ Includes the two per cent portion of the personal income tax, the corporation income tax and the sales tax allocated to the old age security fund.

TABLE 54. Business Gross Fixed Capital Formation, 1954-1958
Reconciliation Statement

line no.		1954	1955	1956	1957	1958
		millions of dollars				
1	Total private and public investment in Canada¹	5,721	6,244	8,034	8,717	8,417
2	Deduct: New residential construction by governments ^{2 3}	-11	-19	-21	-21	-19
3	New non-residential construction by governments ³	-828	-924	-1,137	-1,251	-1,361
4	New machinery and equipment outlays by governments ³ ..	-103	-91	-102	-110	-138
5	Business gross capital formation	4,779	5,210	6,774	7,335	6,899

¹ As presented in the publication *Private and Public Investment in Canada, Outlook, 1957, 1958 and 1959*.

² Excluding residential construction under Veterans' Land Act, construction of veterans, rental housing by Central Mortgage and Housing Corporation, and joint federal-provincial housing (Section 36, National Housing Act) which are included under line 5.

³ Included in "government fixed capital formation", line 4, Table 2.

TABLE 55. Exports and Imports of Goods and Services, 1954-1958
Reconciliation Statement

line no.		1954	1955	1956	1957	1958
		millions of dollars				
	Exports of goods and services:					
1	Merchandise exports	3,929	4,332	4,837	4,909	4,890
2	Gold production available for export	155	155	150	147	160
3	Interest and dividends received from non-residents	147	160	142	149	161
4	Other receipts from services rendered to non-residents	1,289	1,425	1,492	1,420	1,311
5	Sub-total: "Current receipts" as per <i>Canadian Balance of International Payments</i>	5,520	6,072	6,621	6,625	6,522
6	Adjustments - Mutual aid to NATO countries	-284	-222	-157	-107	-142
7	Inheritances and immigrants' funds	-89	-86	-99	-124	-91
8	Total "exports of goods and services" as per National Accounts² ..	5,147	5,764	6,365	6,394	6,289
	Imports of goods and services:					
9	Merchandise imports	3,916	4,543	5,565	5,488	5,064
10	Interest and dividends paid to non-residents	423	483	523	593	594
11	Other payments for services rendered by non-residents	1,613	1,744	1,899	1,944	1,976
12	Sub-total: "Current payments" as per <i>Canadian Balance of International Payments</i>	5,952	6,770	7,987	8,025	7,634
13	Adjustments - Mutual aid to NATO countries	-284	-222	-157	-107	-142
14	Inheritances and emigrants' funds	-94	-105	-115	-122	-131
15	Total "imports of goods and services" as per National Accounts² ..	5,574	6,443	7,715	7,796	7,361

¹ Data sources are reports on the *Canadian Balance of International Payments* (Balance of Payments Section, Dominion Bureau of Statistics) and other information received from the Balance of Payments Section. Figures include mutual aid to NATO countries.

² See also Table 2.

APPENDIX

TABLE I. Population of Canada, by Provinces, 1954 - 1958
Estimated as of June 1 for Intercensal Years

Line No.		1954	1955	1956	1957	1958
		in thousands				
1	Newfoundland	395	406	415	426	438
2	Prince Edward Island	101	100	99	99	100
3	Nova Scotia	673	683	695	702	710
4	New Brunswick	540	547	555	565	577
5	Quebec	4,388	4,517	4,628	4,758	4,884
6	Ontario	5,115	5,266	5,405	5,622	5,803
7	Manitoba	823	839	850	860	870
8	Saskatchewan	873	878	881	879	888
9	Alberta	1,057	1,091	1,123	1,160	1,201
10	British Columbia	1,295	1,342	1,399	1,487	1,544
11	Yukon	10	11	12	12	13
12	Northwest Territories	17	18	19	19	20
13	Canada	15,287	15,698	16,081	16,589	17,048

TABLE II. The Civilian Labour Force, 1954 - 1958

Line No.		1954	1955	1956	1957	1958
		in thousands				
1	Civilian non-institutional population, 14 years of age and over	10,391	10,597	10,805	11,108	11,357
	Civilian labour force:					
	Persons with jobs:					
2	Non-agricultural	4,380	4,559	4,826	5,002	5,010
3	Agricultural	878	819	776	744	712
4	Total persons with jobs	5,258	5,378	5,602	5,746	5,722
5	Persons without jobs and seeking work	235	232	180	257	405
6	Total civilian labour force	5,493	5,610	5,782	6,003	6,127



CATALOGUE No.

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Canada's Statistics Bureau



CANADA

NATIONAL ACCOUNTS
INCOME AND EXPENDITURE
1959

DOMINION BUREAU OF STATISTICS

Research and Development Division

National Income Section

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Published by Authority of

The Honourable Gordon Churchill, Minister of Trade and Commerce

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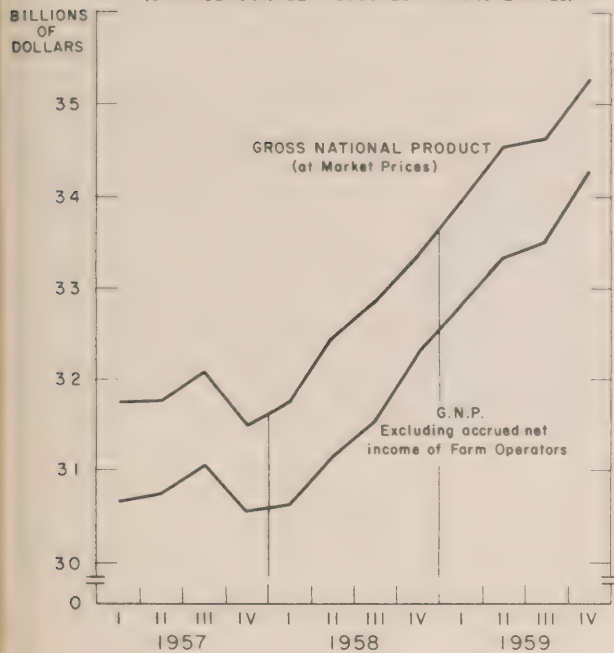
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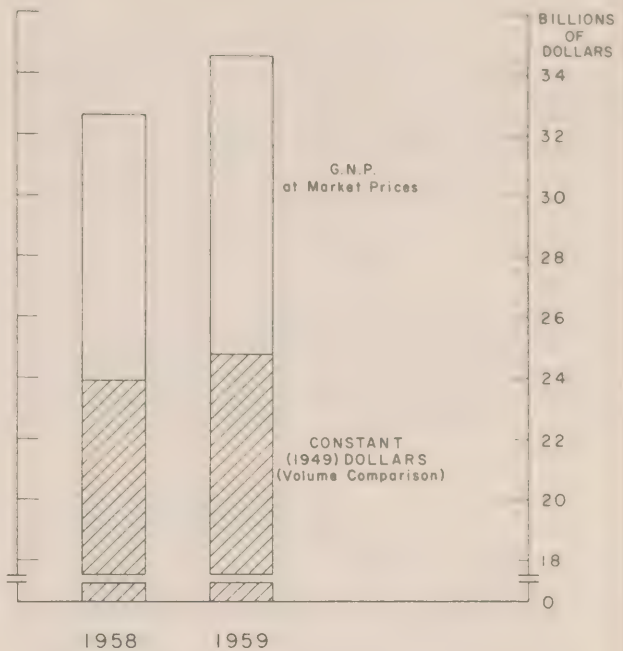
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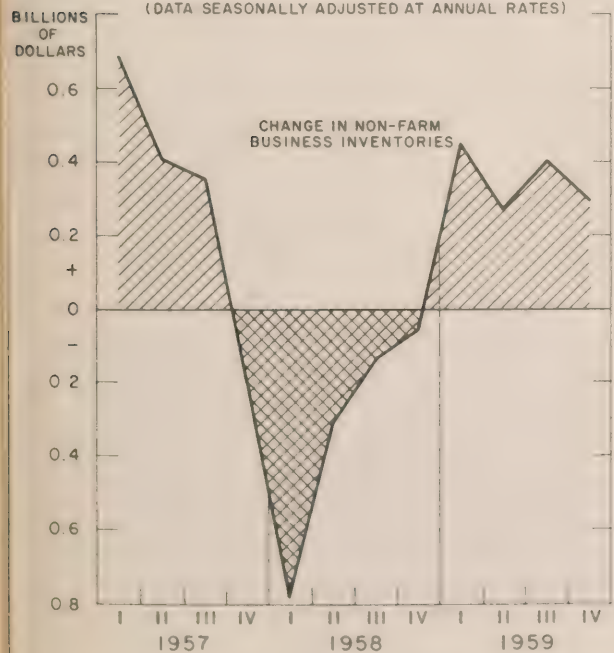
GROSS NATIONAL PRODUCT SHOWED A
MARKED RISE IN 1959
FOLLOWING THE UPSWING
WHICH BEGAN IN 1958
(DATA SEASONALLY ADJUSTED AT ANNUAL RATES)



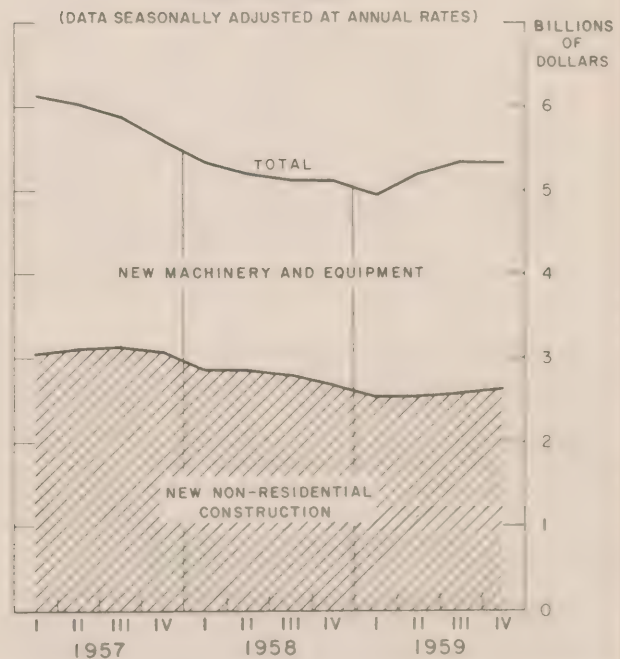
THE VALUE INCREASE FOR THE YEAR
AS A WHOLE WAS ABOUT 6 PER CENT
OVER 1958, WITH THE VOLUME OF PRODUCTION
UP BY ABOUT 4 PER CENT



THE SWING IN BUSINESS INVENTORIES FROM
LIQUIDATION IN 1958 TO ACCUMULATION
IN 1959 CONTRIBUTED SUBSTANTIALLY TO THE
INCREASE IN GROSS NATIONAL PRODUCT
(DATA SEASONALLY ADJUSTED AT ANNUAL RATES)

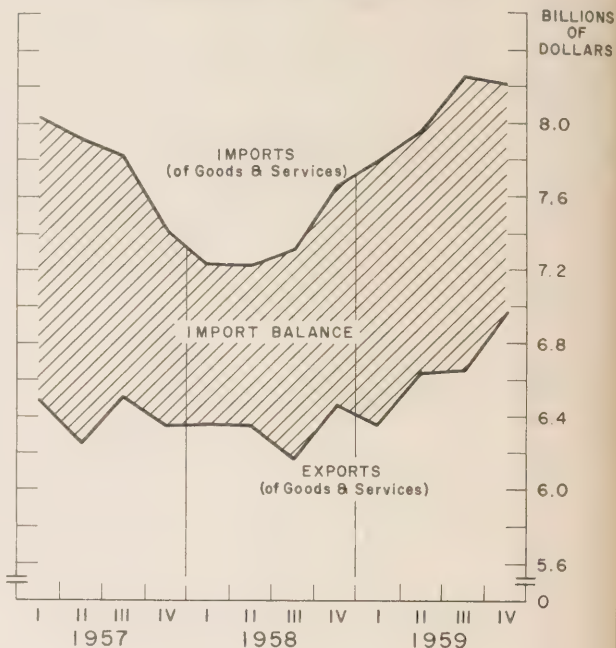
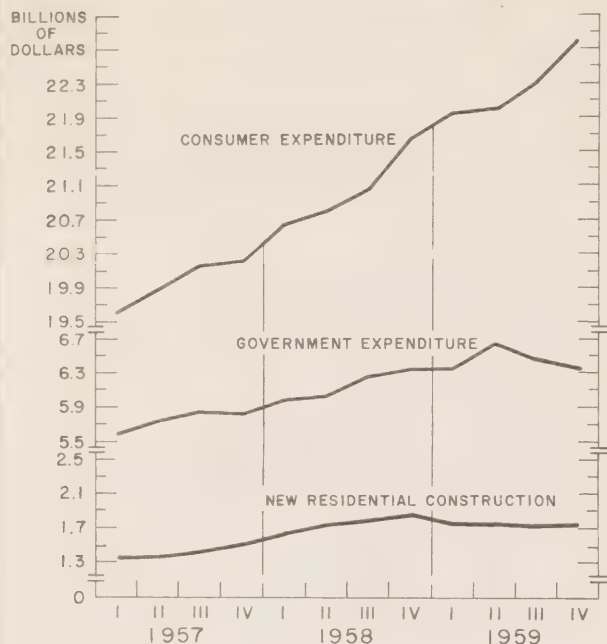


THE TWO-YEAR DOWNTREND OF BUSINESS
OUTLAYS FOR PLANT AND EQUIPMENT
WAS REVERSED IN THE EARLY
PART OF 1959



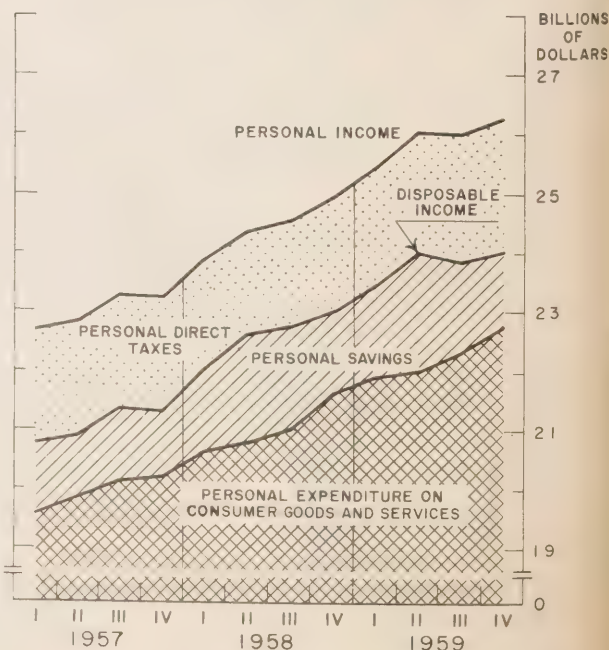
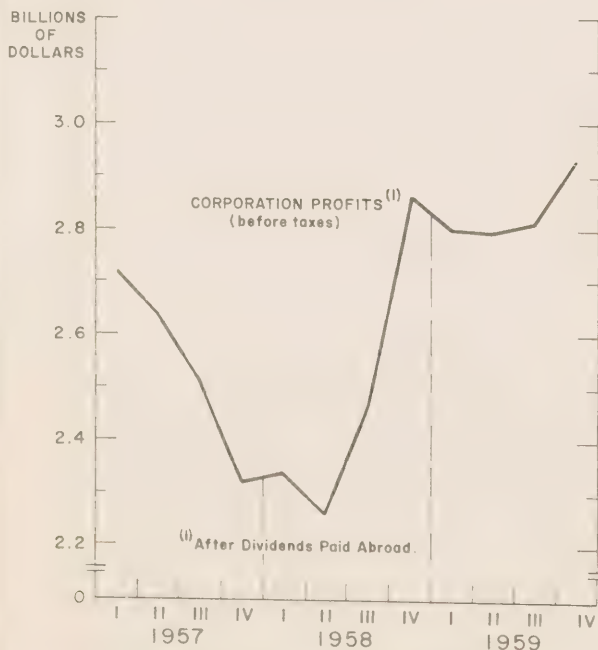
CONSUMER EXPENDITURE CONTINUED TO PROVIDE STRENGTH ON THE DEMAND SIDE. HOWEVER, THE UPWARD TRENDS IN HOUSING AND GOVERNMENT EXPENDITURE WERE INTERRUPTED DURING THE PERIOD

EXPORTS ROSE SUBSTANTIALLY, BUT THE RISE WAS ACCOMPANIED BY A MUCH SHARPER INCREASE IN IMPORTS, WITH A CONSEQUENT WIDENING OF THE DEFICIT



CORPORATION PROFITS LEVELLED OFF IN 1959, FOLLOWING THE SHARP UPSWING IN THE LAST HALF OF 1958

PERSONAL INCOME SHOWED A YEAR-TO-YEAR GAIN OF 6 PER CENT, WHICH WAS LARGELY ABSORBED BY THE RISE IN CONSUMER EXPENDITURES AND DIRECT TAXES



(ALL DATA AT SEASONALLY ADJUSTED ANNUAL RATES)

INTRODUCTORY REVIEW

The Year 1959—Annual Review

The recovery in Gross National Product, which began in 1958 as the economy emerged from a mild recession, continued during 1959. The upswing carried the Gross National Product to new levels in the first half of the year, but moderated in the third quarter when the expansion was checked by a combination of factors associated in large part with industrial disputes in Canada and the United States. In the fourth quarter the advance was resumed, with a further gain in the value of the nation's total output of goods and services of about 2 per cent from the preceding quarter, seasonally adjusted. For the year as a whole, the Gross National Product averaged about 6 per cent above the year 1958, and with final product prices higher by about 2 per cent, it is estimated that the physical volume of output in 1959 was about 4 per cent above that of the preceding

year.¹ This compares with virtually no change in the physical volume of output in 1957 and 1958, and with a post-war average increase of 4 per cent per year.

The increase in output in 1959 was accompanied by broad changes in the composition of the nation's income and outlay. Over the course of the year, reversals in trend occurred in a number of major categories of demand, and the pattern of the nation's total expenditure showed a marked change. The following table provides some perspective on the nature and magnitude of these shifts in terms of year-to-year percentage changes.

¹ The figures include the value of the 1959 grain crop, which is estimated to be about 7 per cent above the year 1958. However, the full effect of adverse weather conditions which delayed grain harvesting in the Prairie Provinces cannot yet be evaluated. It is assumed that the part of the crop now under snow will be harvested in the spring and will be of average quality.

Changes in Components of Gross National Expenditure

	Percentage changes		Change in billions of dollars
	1957 to 1958	1958 to 1959	1958 to 1959
Personal expenditure	5.4	5.8	1.2
Government expenditure	7.4	4.5	0.3
Residential construction	25.1	-1.1	—
Non-residential construction	-9.4	-7.8	-0.2
Machinery and equipment	-14.9	9.4	0.2
Exports	-1.0	5.1	0.3
Total final demand	2.7	4.5	1.8
Inventories	(-\$0.6 b.)	(+\$0.7 b.)	0.7
(Business only)	(-\$0.6 b.)	(+\$0.7 b.)	0.7
Imports	-5.6	9.5	-(+0.7)
Gross National Product	2.6	6.1	2.0

Much of the support to the rising level of production in 1959 came from the renewed build-up of inventories and the reversal of the down-trend in plant and equipment outlays during the year. Business inventories shifted from a position of heavy liquidation in 1958 to one of moderate accumulation in 1959; the turn-around here was the equivalent of about \$0.7 billion in terms of new demands on production. The decline in business capital expenditures for new plant and equipment, which was moderating in the latter part of 1958, was reversed in 1959, and outlays by the business sector were providing a stimulus to the advance in final demand in

the second and third quarters of the year; the slight decline in the fourth quarter appears to have been associated with the effects of the United States' steel strike on machinery and equipment investment in Canada. For the year as a whole, however, plant and equipment outlays were unchanged. On the other hand, outlays for new housing, which rose very sharply in 1958 (by 25 per cent) were moving downward through the first three quarters of 1959, recovering slightly in the fourth quarter as new mortgage money made available by the government was taken up. For the year as a whole, housing outlays were down very slightly from 1958.

The personal and government sectors contributed significantly to the advance in output in 1959. Personal expenditure on consumer goods and services registered a slightly greater increase than in the previous year, and with prices up more moderately, the volume of consumption showed a more pronounced gain than in 1958. However, government expenditures on goods and services rose less sharply in 1959, by only 5 per cent, compared with 7 per cent in 1958. In the last half of the year, government outlays for goods and services declined.

Turning to transactions on international account, exports of goods and services, after having remained stable at a high level for two years despite the recession, rose by 5 per cent in 1959. Most of the gain was concentrated in the last half of the year. At the same time, imports of goods and services, which fell sharply in the recession period but were rising in the latter part of 1958, continued upward in 1959, and for the year as a whole showed a gain of 9 per cent. The deficit on current account widened substantially, but there was some narrowing of the merchandise deficit at year-end, on a seasonally adjusted basis.

Taken together, these shifts in the pattern of the nation's total expenditure produced a Gross National Product in 1959 which was about 6 per cent above the level of the year 1958, compared with a gain of about 2½ per cent in the 1957-1958 period.

The flow of income to the personal, business, and government sectors was also marked by changes in the trend of important income components and by shifts in the compositional pattern of the income aggregates in 1959. Transfer payments, which rose by 27 per cent between 1957 and 1958, made a much smaller contribution to the gain in personal income in 1959. The reverse is true of labour income, which showed only a small change between 1957 and 1958 but rose sharply in 1959, accounting for a much greater proportion of the increase in total personal income than in the previous year. While corporation profits showed little change over the four quarters of 1959, they were at an average rate about 14 per cent above the year 1958; this compares with a decline of less than 3 per cent between 1957 and 1958.

The shift in the pattern of profits, labour income, and transfer payments was largely responsible for the differing rates of change between national income and personal income in the two periods. In 1958, national income was affected by the small rise in labour income and the drop in profits, and showed only a 3 per cent gain; personal income advanced by 6 per cent, reflecting the sharp rise in transfer payments. In 1959, however, with profits and labour income showing substantial gains and transfer payments moderating, the advance in national income and in personal income were closely in line.

Changes in Major Income Components

	Percentage changes	
	1957 to 1958	1958 to 1959
Selected personal and business income components		
Wages, salaries, and supplementary labour income	2.7	7.8
Transfer payments	27.8	4.8
Personal income	6.2	6.4
Corporation profits after dividends paid abroad	-2.5	14.2
Capital consumption allowances	-1.8	5.3
Rents, interest, and miscellaneous investment income	5.8	3.9
Net income of non-farm unincorporated business	5.4	1.5
Accrued net income of farm operators from farm production	19.8	-7.1
National income	3.5	6.4
Selected government revenues (All levels of government)		
Direct personal taxes	-6.4	16.4
Corporation tax liabilities	-3.5	17.7
Indirect taxes	1.5	9.6

The expansion of activity in 1959 was characterized by a marked recovery in the tax revenues collected by or accruing to the government sector, reflecting the recovery in profits, higher employment and earnings, a higher level of imports, sales and shipments, and increases in tax rates. The changes in government revenues from the three major tax sources for all levels of government combined are shown in the table above.

Value, Volume, Price Comparisons

Taking the change in the price of all components together, it is estimated that the price element of total Gross National Expenditure was higher in 1959 by about 2 per cent. The value, volume and price components of each of the main expenditure categories are shown in the accompanying table:

Percent Changes, Value, Volume and Price

	1959 1958			Price Change ¹
	Value	Volume	Price ¹	Year 1958 Year 1957
Personal expenditure	5.8	4.5	1.2	2.5
Goods	5.3	4.9	0.5	1.8
Non-durable	5.0	4.9	0.3	1.9
Durable	6.3	4.7	1.8	1.4
Services	6.8	3.7	2.7	3.6
Government expenditure	4.5	1.2	2.9	3.2
Business gross fixed capital formation	-0.2	-2.9	3.0	2.1
New residential construction	-1.1	-5.0	4.0	2.5
New non-residential construction	-7.8	-10.1	2.6	1.2
New machinery and equipment	9.4	6.9	2.5	2.7
Exports of goods and services	5.1	2.2	1.5	-0.2
Imports of goods and services	9.5	10.1	-0.4	1.3
Gross national expenditure	6.1	3.5	2.3	2.2

¹ The price comparisons shown above are based on a set of fixed weight price indexes (1955 = 100), and not upon the implicit price deflators which can be derived by dividing the value series by the volume series. The implicit deflators are weighted by changes in the expenditure pattern over time, and do not permit accurate measurements of price change. A specially constructed set of fixed weight price indexes has therefore been used for purposes of depicting price changes in the above table.

Final product prices continued to drift upward slightly between 1958 and 1959. In the over-the-year comparisons, the advance was about the same as that which occurred between 1957 and 1958. The rise in the price of consumer goods and services in 1959 was small, and amounted to less than half the price rise of the 1957-1958 period, but this development was accompanied by a somewhat larger increase in the price of capital goods and in exports. Prices of imported goods declined, reflecting for the most part a higher rate of exchange on the Canadian dollar.

Production and Employment

Most major industry divisions contributed to the rise in the physical volume of output in 1959. The sharpest increases were in forestry, mining, and public utilities. The almost uniformly upward trend of production in 1959 is in strong contrast to the mixed and largely offsetting movements that characterized output in the previous year. A large part of the increase from 1958 levels came in the first half of 1959; the rate of increase dropped in the second half, partly as a result of industrial disputes in Canada and the delayed effects of the steel strike in the United States.

Among the primary industries, an increase of about 9 per cent in forestry production was entirely attributable to pulpwood; output of other forest products was fractionally lower. The improvement in markets for some traditional metals and fuels and the continued expansion of output of new resource industries brought about a more than 10 per cent increase in mining production as a whole and relatively large gains in the output of several important products. Among these are nickel (31 per cent), copper (15 per cent), crude petroleum (12 per cent), uranium (18 per cent), and natural gas (24 per cent). Output of coal continued to decline as did that of

lead and zinc. The underlying trend of mining production as a whole was strongly upward throughout the year.

The output of manufacturing industries was about 7 per cent higher in 1959 than in 1958; the gain in durables was about 8 per cent and in non-durables about 6 per cent. All the major divisions of manufacturing increased their production with the single exception of transportation equipment. Production in this industry was off slightly, partly as a result of the steep drop in activity in aircraft and parts. The largest increases in output were in iron and steel products (18 per cent), rubber products (17 per cent), textiles (12 per cent), products of petroleum and coal (11 per cent) and non-metallic mineral products (9 per cent); in paper products, printing and publishing, and electrical apparatus and supplies, the rise in production was close to the average for manufacturing industries as a whole; the remaining divisions recorded smaller gains. The expansion of output was particularly marked in some individual industries, notably agricultural implements (34 per cent), and primary iron and steel (38 per cent).

The rising trend of manufacturing production in 1959 was interrupted in the third quarter, when the prolonged industrial dispute in the woods industry in British Columbia affected production of durable goods. In the closing quarter the rise in manufacturing production was restrained by November lay-offs in the automotive industry due to shortages of steel among United States' suppliers. Nevertheless, production advanced 2 per cent in the final quarter of the year, after allowing for seasonal factors. By the end of the year the index of manufacturing output was 6 per cent above its level one year earlier. Non-durable manufacturing production was running 4 per cent above its previous 1957 peak, but durable manufacturing production was still 3 per cent below the peak reached in July, 1956.

The relatively large year-to-year advance in the output of public utilities — 14 per cent — was mainly the result of a huge increase in the distribution of natural gas to final users; distribution by electric power utilities was up less than 10 per cent.

The volume of construction is estimated to have been 3 per cent lower in 1959 than in 1958. The increase in the volume of public construction did not fully offset the decline in private construction.

All the service-producing industries shared in the 4½ per cent advance in output for the group as a whole. A 6 per cent gain in volume in transportation,

communication and storage contrasts with the 4 per cent decline in 1958. Railway car loadings were only slightly higher but most other forms of transport handled a decidedly larger volume of business, notably shipping, air transport, and oil pipelines.

The gains in production outlined above were accompanied by an increase in total employment in 1959. The number of persons with jobs was close to 3 per cent higher than in 1958; the number with jobs in the non-farm sector was 3½ per cent higher. This growth in employment opportunities in 1959 reduced the number of persons without jobs and seeking work from 6.6 to 5.6 per cent of the labour force.

COMPONENTS OF GROSS NATIONAL EXPENDITURE

Personal Expenditure on Consumer Goods and Services

Moderate increases in most categories accompanied a 6 per cent rise in personal expenditure on consumer goods and services in 1959. While consumer prices continued to advance, the upward trend moderated. The greater part of the increase in spending in 1959 thus represented a gain in real consumption. On a per capita basis, consumer expenditure showed the first volume increase since 1956.

Consumer expenditure on non-durable goods rose by 5 per cent in 1959. All categories showed increases of varying magnitude, the most significant occurring in gas (34 per cent), electricity and tobacco products (each up 10 per cent), and auto parts and accessories (9 per cent); other important changes occurred in expenditures on alcoholic beverages, clothing, fuel, and soaps and cleaning supplies, all of which increased by amounts varying between 4 per cent and 6 per cent. Expenditures on food increased by about 3½ per cent, one of the more moderate increases in recent years. However, with food prices somewhat lower, the gain in real food consumption was considerably larger.

Expenditure on durables rose more than 6 per cent, the major part of which is accounted for by a 9 per cent gain in purchases of new and used automobiles. However, there was a significant advance in outlays for other durables, notably home furnishings (6 per cent) and appliances and radios (6 per cent); purchases of furniture showed little change.

The 11 per cent gain in sales of new passenger cars in 1959 was the largest since 1955 when they rose by 28 per cent. In contrast to 1955, however, sales of imported European and British models in 1959 accounted for 18 per cent by value of all new car sales, rising by 45 per cent over the year 1958. Sales of domestic and United States manufactured vehicles rose by 6 per cent.

The rise in durable goods purchases in 1959 was accompanied by an increase in consumer credit outstanding. Between December 1958 and December 1959, total consumer credit outstanding on the books

of finance companies and retail dealers rose by 6 per cent. Unsecured personal loans by chartered banks (excluding home improvement loans) rose by 30 per cent in the same period.

Continuing to make relatively large gains, expenditure on services rose almost 7 per cent. The most significant increases were in outlays for shelter (8 per cent), medical care (9 per cent) and household operation (8 per cent).

The advance in personal expenditure in 1959 was closely in line with the increase in disposable income so that the level of personal saving showed little change. As a percentage of disposable income, personal saving was 6.7 per cent in 1959 compared with 7.1 per cent in 1958, rates of saving which in both cases are relatively high by the standards of post-war years.

Investment in Business Inventories

The accumulation of business inventories in 1959 amounted to \$355 million, in contrast to a liquidation of \$323 million in 1958. This shift of nearly \$700 million between the two years was an important factor in economic recovery and accounted for almost one-third of the \$2.0 billion rise in Gross National Product in 1959.

Change in Business Inventories

	1957	1958	1959
Manufacturing	128	-257	134
Wholesale	75	- 53	72
Retail	32	- 9	134
Other	76	- 4	15
Total	311	-323	355

Nearly 60 per cent of the turn-around in business inventories took place in manufacturing. The building up of stocks did not keep pace with

the growth in sales, and ratios of stocks to shipments fell significantly between 1958 and 1959 in both the durable and non-durable segments of manufacturing. The turn-around in manufacturing was almost totally due to the durable goods industries build-up. All durable groups showed a positive year-to-year shift, the most pronounced of all being in the iron and steel, and transportation equipment industries. In the non-durables group, while stocks of food and chemicals were depleted heavily, this liquidation was counter-balanced by a build-up in the petroleum, rubber and clothing industries.

Wholesalers built up stocks in 1959, after having drawn them down in 1958. As in manufacturing, stock-sales ratios were lower in 1959 than in 1958. Accumulation of inventories was fairly widespread among durable and non-durable goods' wholesalers, and included substantial build-ups in industrial machinery and equipment and in petroleum products.

Retail traders also built up stocks in 1959 after having depleted them in 1958. Stock-sales ratios however appeared slightly higher than those in 1958. Both durable and non-durable goods' retailers increased their holdings of inventories in 1959.

Business Gross Fixed Capital Formation

At a level of \$7.0 billion, expenditures on construction and machinery and equipment remained almost unchanged in 1959. However, this stable aggregate conceals important changes among components.

Non-residential construction fell to \$2.6 billion, nearly 8 per cent lower than in 1958. The decline in construction, mainly concentrated in engineering works, reflected the completion of certain large projects, such as pipelines, electric power installations and the St. Lawrence Seaway, reinforced by a decided drop in expenditures for construction by manufacturing industries.

At the same time, there was an upsurge in outlays for machinery and equipment which rose to \$2.6 billion, more than 9 per cent above the level of the preceding year.² This increase was supported by higher imports and domestic shipments of machinery and equipment, which were both up more than 10 per cent. New orders in the industries producing capital goods (excluding transportation equipment) averaged higher by 20 per cent. Notable gains were recorded in purchases of farm machinery (22 per cent), and commercial vehicles (17 per cent).

The value of residential construction, at \$1.7 billion, was slightly lower than in 1958. The decline reflects a 14 per cent drop in housing units started

and virtually no change in completions. Approvals of N.H.A. loans of all kinds fell by nearly one-third. Approved lenders, in the face of strong competing demands for funds and rising interest rates, curtailed their mortgage lending sharply. From September 1st, Central Mortgage and Housing Corporation made direct loans available to builders. In these circumstances, outlays for housing rose a little in the closing quarter of the year.

Exports and Imports of Goods and Services

In a situation of vigorous recovery in the United States and expanding economic activity in other industrialized countries, exports of goods and services rose to \$6.7 billion in 1959, 5 per cent higher than the levels attained in 1957 and 1958. The rate of increase was about the same for merchandise exports as for invisible items.

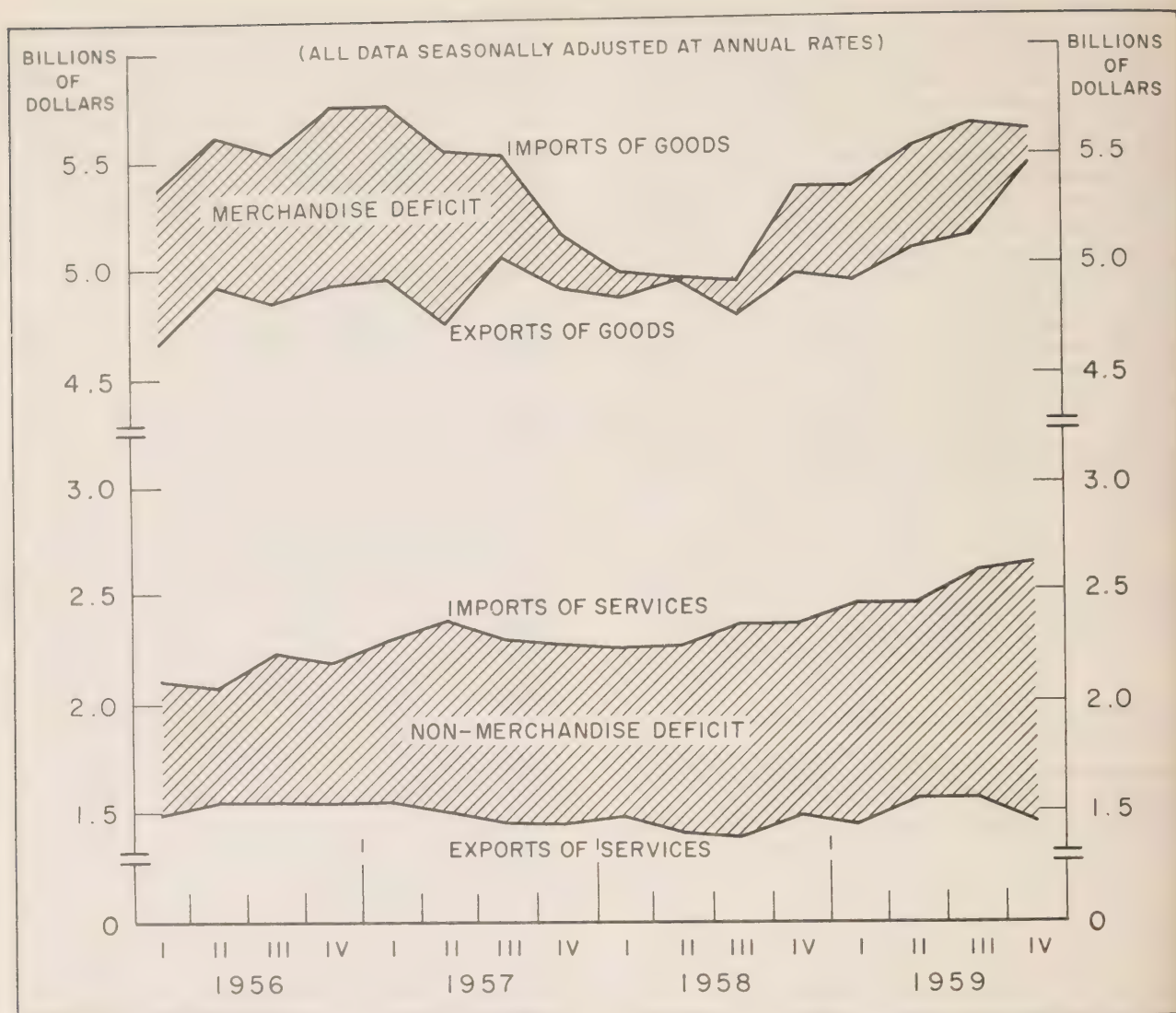
Among merchandise exports, the products of the leading primary industries were prominent in raising the total. Thus exports of forest products, metals and minerals were up over 10 per cent. Exports of iron and its products showed the largest relative gain of all the main commodity groups, rising by almost one-third, in contrast to a decline of about one-sixth in 1958. This unusually large increase was related to the strike-induced shortage of steel in the United States. Among other products showing relatively large gains were lumber, pulp and paper, uranium and some other non-ferrous metals. These gains were partially offset by lower sales of some agricultural products, including grains and cattle; and of some manufactured products, namely, aircraft and ships, sales having been extraordinarily high in the previous year.

So far as invisible items are concerned, receipts from the tourist trade, from freight and shipping, from miscellaneous services and in the form of interest and dividends were all higher in 1959 than in 1958. On the other hand, gold production available for export was lower. Receipts from services totalled \$1.5 billion, compared with \$1.4 billion the previous year.

As has been characteristic of periods of rising economic activity, imports of goods and services advanced sharply in 1959, reaching an annual total of \$8.1 billion, 9½ per cent higher than in 1958. Payments for merchandise imports and for services rose in about the same proportion.

In spite of the substantial increase in merchandise imports in 1959, the level was somewhat below the peak in 1956. The gains were well distributed and included industrial machinery, farm machinery, consumer goods, both durable and non-durable, and industrial materials to support the higher level of production and to replenish stocks. Imports of certain items, such as primary steel and steel pipe, were significantly lower. The largest increase in imports came in the second quarter of the year; thereafter there was little change, seasonal factors apart.

² The 1959 annual figure is \$150 million higher than that shown in 'Private and Public Investment in Canada, Outlook 1960', to take account of later available information. This adjustment is included in the quarterly distribution of expenditures on new machinery and equipment.



Payments for all items in the service account were substantially higher in 1959 than in 1958. The 12 per cent increase in remittances of interest and dividends reflected growing indebtedness, higher interest rates, and larger dividend payments to non-residents. The rise in merchandise imports, particularly from overseas countries, swelled payments for freight and shipping. Higher economic activity brought larger payments for business services. Payments on tourist account were also up considerably.

The consequence of the changes in exports and imports of goods and services described above was a deficit on current international account (on the National Accounts basis) of \$1.4 billion, compared with one of \$1.0 billion in 1958, and slightly above the previous peak in 1957. Of this deficit about \$400 million was on merchandise account. The \$1.0

billion deficit on service account, continuing the steady growth characteristic of recent years, was more than double the deficit from this source in 1955. Prices of imports were slightly lower, while prices of exports were moderately higher. Thus there was some improvement in the terms of trade.

Government Expenditure on Goods and Services

Government expenditure on goods and services rose to \$6.4 billion, about 5 per cent higher than in 1958. All this advance is attributable to provincial and municipal governments; it reflects increased wages and salaries and larger expenditures of a capital nature. Federal government expenditures were down slightly, reflecting a decline in outlays for defence of about 6 per cent, which was largely offset by increased spending for other purposes.

COMPONENTS OF GROSS NATIONAL PRODUCT

Wages, Salaries, and Supplementary Labour Income

Labour income rose to \$17.7 billion in 1959, nearly 8 per cent higher than in the previous year. Unlike 1958, a significant part of the advance reflected gains in employment; a small part came from somewhat longer hours of work. The upward trend in average earnings continued to contribute substantially to the advance in labour income.

All major industries shared in the increase in labour income in 1959, in contrast to the situation in 1958 when income failed to rise in several important industries. The largest gain occurred in the service group,³ where income was higher by more than 13 per cent. Income in government service and in the construction industry, up more than 9 per cent, also registered better than average gains. A small

³ Includes community, business, personal and recreational services.

increase in employment (1 per cent) and in hours of work (1 per cent), together with substantially higher hourly wages (4 per cent), raised income in manufacturing by 6 per cent, in contrast to a slight decline in the preceding year. Income in mining rose 5 per cent, in spite of an unchanged volume of employment, reflecting some increase in hours worked but mainly higher average hourly earnings. The increases in income in the transportation, communications and storage group, in finance, insurance and real estate, in public utilities and in trade were all within a narrow range and somewhat below the all industry average. With a significant improvement in employment in forestry, income rose more than 6 per cent, as opposed to a sharp decline in the previous year.

The factors contributing to the advance in labour income in 1959 for two major industries for which data are available are shown in the following table:

	Employment	Hours worked per week	Average hourly earnings	Labour income
	per cent			
Manufacturing	1.2	1.2	3.6	5.8
Mining	—	—	4.1	4.9

Corporate Profits and Other Investment Income

Characteristically sensitive to changes in the tempo of economic activity, corporate profits reversed their downward trend in the middle of 1958 and rose sharply in the closing quarter; they remained high in 1959, reaching an annual total as measured in the National Accounts of \$2.8 billion, a rise of 14 per cent in contrast to a decline of 3 per cent in the previous year. Dividends paid abroad, which are not included in the figure set out above, rose by 10 per cent.

Increases in profits were widespread by industry and in many cases extremely large, particularly in those industries whose earnings had deteriorated during the recession. Thus profits in mining were up 18 per cent, following an even sharper decline in 1958. The same rate of increase occurred in manufacturing industries, with especially large gains in iron and steel (35 per cent) and in chemical products (24 per cent). Among the manufacturing industries, only non-metallic mineral products and products of petroleum and coal failed to record any rise in profits.

Earnings in the goods-handling industries, like the goods-producing industries, had felt the impact of the recession and responded to the upswing in

economic activity in 1959. Thus profits in transportation, communication and storage rose sharply, after having fallen a little in 1958. Profits in wholesale trade also recovered from their recessionary decline. In retail trade, in the financial group and in services, profits were either unchanged or slightly lower, in contrast to the situation in 1958 when profits in the service-connected industries continued to rise.

Rents, interest, and miscellaneous investment income, estimated at \$2.1 billion, rose by 4 per cent in 1959. The advance in rental income continued to reflect the growth of the housing stock and a further slight increase in rents. With the rise in interest rates, interest receipts of persons and governments were sharply higher in 1959. However, a large part of these interest receipts take the form of interest paid on the government debt which is not included as a part of National Income. Trading profits of government enterprises were slightly higher in 1959, and investment income of life insurance companies and industrial pension funds rose sharply.

Net Income of Unincorporated Business

Estimated at \$1.1 billion in 1959, accrued net income of farm operators was about 7 per cent below the preceding year. This estimate involves little

change in farm gross income, accompanied by a rise in farm operating expenses. The value of the new crop is estimated to have been higher by 7 per cent. This estimate, based on the November forecast, assumes that the part of the crop now under snow in

the Prairies will be harvested in the spring and will be of average quality. The full effects of the adverse harvesting conditions in the Prairie Provinces cannot be evaluated at the present time.

	1958	1959	Change 1959 1958	Percent change 1959 1958
millions of dollars				
Farm cash income	2,787	2,772	-15	-0.5
Income in kind	339	346	7	2.1
Farm inventory change	-79	-67	12	-
Gross income	3,047	3,051	4	0.1
Deduct:				
Farm operating expenses	1,514	1,590	76	5.0
Depreciation	288	292	4	1.4
Add:				
Adjustment on grain transactions	-4	-8	-4	-
Other adjustments ¹	-48	-53	-5	-
Accrued net income of farm operators from farm production	1,193	1,108	-85	-7.1

¹ Includes items in investment income and an estimated amount for Newfoundland.

Income of unincorporated business, non-farm, was \$2.2 billion, somewhat higher than in 1958. The major part of the increase originated in the service industries which account for about one-third of the total estimate. Income originating in retail trade and construction, which come next in order of importance, was off slightly.

Indirect Taxes Less Subsidies

Indirect taxes less subsidies reached an estimated level of \$4.2 billion in 1959, 9 per cent higher than in the previous year. The sharpest increase in indirect taxes, 11 per cent, was at the Federal level and the major part of it was in excise taxes which rose by 13 per cent. Customs import duties moved up in line with imports and were nearly 9 per cent above the previous year. The April Budget introduced higher rates of taxes and duties on tobacco products and spirits, in addition to an increase in the sales tax to help finance the old age security scheme. Thus Federal revenues from indirect taxes reflect changes in rates as well as expanding activity.

Gasoline and sales taxes, and miscellaneous taxes on natural resources account for most of the increase in indirect taxes at the Provincial level,

which were up by 7 per cent; higher real and personal property taxes largely account for the rise of 9 per cent at the municipal level.

Subsidies rose very sharply in 1959, reflecting mainly higher losses incurred under the Agricultural Commodities Stabilization program.

National Saving and Investment

Gross national saving increased by 9 per cent in 1959, from \$5.4 billion in 1958 to \$5.9 billion in 1959. This was the first increase in national saving since 1956. Virtually all the domestic sectors contributed towards this improvement in the national saving picture.

The business sector showed a very significant improvement with an increase of 6½ per cent, saving in the personal sector decreased by 1 per cent, while the decline in the dissaving (deficit) of the government sector amounted to over 40 per cent. With an increase of approximately 6 per cent in Gross National Product from 1958 to 1959, and an increase of 9 per cent in national saving over the same period, the proportion of national saving to Gross National Product changed slightly over the two years, from 16.6 per cent in 1958 to 17.0 per cent in 1959.

	1958	1959	Change 1958 to 1959
billions of dollars			
Personal saving	1.6	1.6	—
Business saving	4.8	5.1	0.3
Government deficit	-1.0	-0.6	0.4
Inventory valuation adjustment	—	-0.1	-0.1
Residual error of estimate	0.1	—	
Gross national saving	5.4	5.9	0.5
Business gross fixed capital formation	7.0	7.0	—
Change in inventories	-0.4	0.3	0.7
Net foreign investment	-1.0	-1.4	-0.4
Residual error of estimate	-0.1	—	
Gross national investment	5.4	5.9	0.5

Note: Figures will not add by +.1 or -.1 due to rounding.

The nation's total fixed capital investment program for housing, non-residential construction, and machinery and equipment remained virtually unchanged between 1958 and 1959. The increase in saving took the form of increased investment in inventories, which showed a very significant change over the period, with the turn-around amounting to \$0.7 billion. As in previous years, the amount of

saving available from domestic sources was insufficient to support the investment program. The short-fall in the nation's saving was met by drawing upon foreign sources and the deficit on current account in 1959 amounted to \$1.4 billion, an increase of about 36 per cent over the deficit in 1958. The deficit in 1959 was slightly above the previous peak year 1957.

TECHNICAL NOTE

The Labour Division of the Dominion Bureau of Statistics has recently published, *Labour Income, 1926-58* (Catalogue Number 72-502) in which minor upward revisions to wages, salaries, and supplementary labour income for the years 1951 to 1954 have been made. These revisions have not yet been incorporated into the salaries, wages, and supplementary labour income of the National Accounts. They are of minor analytical significance, but for

those readers who may wish to reconcile the figures exactly, the data are given below.

Revision of Labour Income (millions of dollars)

1951	1952	1953	1954
+ 1	+ 10	+ 15	+ 20

Percentage Distribution of Gross National Expenditure, 1954-59

Line No.		1954	1955	1956	1957	1958	1959
1	Personal expenditure on consumer goods and services	65.1	64.1	61.6	62.8	64.5	64.4
2	Durable goods	7.9	8.3	8.0	7.6	7.6	7.7
3	Non-durable goods	33.7	33.4	31.8	32.6	33.3	33.0
4	Services	23.5	22.4	21.8	22.6	23.6	23.7
5	Government expenditure on goods and services	17.9	17.7	17.6	18.0	18.9	18.6
6	Federal	9.8	9.3	8.8	8.6	8.7	8.1
7	Provincial	3.0	3.1	3.4	3.6	3.9	4.0
8	Municipal	5.1	5.3	5.4	5.8	6.2	6.5
9	Business gross fixed capital formation	19.2	19.2	22.2	23.1	21.4	20.1
10	New residential construction	4.9	5.1	5.0	4.4	5.4	5.0
11	New non-residential construction	6.7	6.8	8.5	9.8	8.6	7.5
12	New machinery and equipment	7.6	7.3	8.7	8.9	7.4	7.6
13	Value of physical change in inventories	-0.6	1.1	3.5	0.7	-1.3	0.9
14	Non-farm business inventories	-0.2	0.5	2.6	1.0	-1.0	1.0
15	Farm inventories and grain in commercial channels	-0.4	0.6	0.9	-0.3	-0.3	-0.1
16	Exports of goods and services	20.7	21.2	20.8	20.1	19.4	19.2
17	Imports of goods and services	-22.4	-23.7	-25.2	-24.5	-22.6	-23.3
18	Residual error of estimate	0.1	0.4	-0.5	-0.2	-0.3	0.1
19	Gross National Expenditure	100.0	100.0	100.0	100.0	100.0	100.0

Percentage Distribution of National Income by Distributive Shares, 1954-59

Line No.		1954	1955	1956	1957	1958	1959
1	Wages, salaries, and supplementary labour income	65.4	63.8	64.3	67.0	66.5	67.4
2	Military pay and allowances	1.9	1.9	1.8	2.0	2.0	1.9
3	Corporation profits before taxes	10.3	12.4	12.5	10.7	10.0	10.8
4	Rent, interest, and miscellaneous investment income	7.9	8.1	7.6	8.0	8.2	8.0
5	Accrued net income of farm operators from farm production	5.3	6.1	6.3	4.2	4.8	4.2
6	Net income of non-farm unincorporated business	8.7	8.6	8.5	8.4	8.6	8.2
7	Inventory valuation adjustment	0.5	-0.9	-1.0	-0.3	-0.1	-0.5
8	Net National Income at factor cost	100.0	100.0	100.0	100.0	100.0	100.0

Percentage Distribution of Gross Domestic Product at Factor Cost, by Industry, 1954-59

Line No.		1954	1955	1956	1957	1958	1959
1	Agriculture	6.7	7.3	7.3	5.4	5.9	5.5
2	Forestry	1.8	1.8	1.7	1.4	1.2	1.2
3	Fishing and trapping	0.4	0.3	0.4	0.3	0.4	0.3
4	Mining, quarrying, and oil wells	4.0	4.4	4.4	4.4	4.0	4.2
5	Manufacturing	28.3	28.0	27.9	27.8	26.3	26.4
6	Construction	6.0	5.7	6.4	6.7	6.9	6.8
7	Transportation	6.7	7.1	7.3	7.2	6.7	7.0
8	Storage	0.3	0.3	0.3	0.3	0.3	0.3
9	Communication	1.9	1.9	2.0	2.1	2.1	2.1
10	Electric power, gas, and water utilities	2.7	2.7	2.8	3.0	3.2	3.3
11	Wholesale trade	4.5	4.4	4.6	4.9	4.7	4.9
12	Retail trade	9.3	9.2	9.0	9.1	9.4	9.1
13	Finance, insurance, and real estate	9.5	9.4	8.6	9.1	9.7	9.3
14	Public administration and defence	6.7	6.5	6.4	6.8	7.2	7.3
15	Service	11.2	11.0	10.9	11.5	12.0	12.3
16	Total	100.0	100.0	100.0	100.0	100.0	100.0

Percentage Distribution of Personal Income by Source, 1954-59

Line No.		1954	1955	1956	1957	1958	1959
1	Wages, salaries, and supplementary labour income	65.2	64.6	65.6	66.9	64.7	65.7
2	Military pay and allowances	2.0	2.0	2.0	2.1	2.0	1.9
3	Net income received by farm operators from farm production	5.5	6.1	6.5	4.4	4.9	4.3
4	Net income of non-farm unincorporated business	9.0	9.1	9.0	8.7	8.7	8.3
5	Interest, dividends, and net rental income of persons	9.3	9.3	8.7	8.7	8.7	8.9
6	Transfer payments (excluding interest)	9.0	8.9	8.2	9.2	11.0	10.9
7	Total	100.0	100.0	100.0	100.0	100.0	100.0

Selected Per Person Income and Product Series in Current and Constant Dollars, 1954-59

Line No.		1954	1955	1956	1957	1958	1959
Current dollars							
1	Gross National Product	1,627	1,728	1,902	1,915	1,913	1,983
2	Personal Income	1,205	1,257	1,361	1,388	1,434	1,487
3	Personal Disposable Income	1,111	1,162	1,253	1,272	1,328	1,368
4	Personal Expenditure on Consumer Goods and Services	1,058	1,108	1,171	1,203	1,234	1,276
Constant (1949) dollars							
5	Gross National Product	1,320	1,396	1,481	1,432	1,404	1,420
6	Personal Expenditure on Consumer Goods and Services	893	934	970	964	963	984

SECTION A
INCOME AND EXPENDITURE ACCOUNTS

1. Summary Tables

TABLE 1. National Income and Gross National Product, 1954-59

Line No.		1954	1955	1956	1957	1958	1959
millions of dollars							
1	Wages, salaries, and supplementary labour income	12,432	13,223	14,890	15,996	16,434	17,717
2	Military pay and allowances	367	394	424	476	491	496
3	Corporation profits before taxes ¹	1,963	2,570	2,908	2,547	2,483	2,836
4	Rent, interest, and miscellaneous investment income	1,511	1,684	1,767	1,905	2,015	2,094
5	Accrued net income of farm operators from farm production ²	1,017	1,264	1,450	996	1,193	1,108
6	Net income of non-farm unincorporated business ³	1,656	1,791	1,965	2,011	2,119	2,150
7	Inventory valuation adjustment ⁴	86	-189	-238	-71	-33	-120
8	Net National Income at factor cost	19,032	20,737	23,166	23,860	24,702	26,281
9	Indirect taxes less subsidies	2,947	3,237	3,636	3,848	3,883	4,220
10	Capital consumption allowances and miscellaneous valuation adjustments	2,905	3,266	3,642	3,994	3,923	4,131
11	Residual error of estimate	-13	-108	141	71	98	-39
12	Gross National Product at market prices	24,871	27,132	30,585	31,773	32,606	34,593

¹ Excludes dividends paid to non-residents.

² Includes changes in farm inventories in millions of dollars as follows:

1954	- 75	1957	-152
1955	198	1958	- 79
1956	241	1959	- 67

An adjustment has been made to take account of the accrued earnings of farm operators arising out of the operations of the Canadian Wheat Board. (See footnote 5, Table 52).

³ Includes net income of independent professional practitioners.

⁴ See footnote 5, Table 2.

TABLE 2. Gross National Expenditure, 1954-59

Line No.		1954	1955	1956	1957	1958	1959
millions of dollars							
1	Personal expenditure on consumer goods and services	16,175	17,389	18,833	19,964	21,035	22,261
2	Government expenditure on goods and services ¹	4,461	4,792	5,386	5,738	6,161	6,437
3	Current expenditure ²	3,519	3,758	4,126	4,356	4,772	4,837
4	Gross fixed capital formation ³	942	1,034	1,260	1,382	1,389	1,600
5	Business gross fixed capital formation ⁴	4,779	5,210	6,774	7,335	6,975	6,961
6	New residential construction	1,227	1,378	1,526	1,409	1,763	1,743
7	New non-residential construction	1,671	1,848	2,589	3,103	2,811	2,592
8	New machinery and equipment	1,881	1,984	2,659	2,823	2,401	2,626
9	Value of physical change in inventories ⁵	-130	311	1,084	210	-435	300
10	Non-farm business inventories	- 40	133	808	311	-323	355
11	Farm inventories and grain in commercial channels	- 90	178	276	-101	-112	- 55
12	Exports of goods and services ⁶	5,147	5,764	6,365	6,394	6,332	6,657
13	Deduct: Imports of goods and services	-5,574	-6,443	-7,715	-7,796	-7,363	-8,062
14	Residual error of estimate	13	109	-142	-72	-99	39
15	Gross National Expenditure at market prices	24,871	27,132	30,585	31,773	32,606	34,593

¹ Includes defence expenditure which is shown in footnote 2, Table 37.

² Also includes net purchases of government commodity agencies and the defence production revolving fund. Excludes shipments of previously produced military equipment to NATO countries but includes replacements of new equipment.

³ Includes outlay on new durable assets such as building and highway construction by governments, other than government business enterprises (for detail see footnote 1, Table 43, and lines 2, 3 and 4, Table 54).

⁴ Includes capital expenditures by private and government business enterprises, private non-commercial institutions, and outlays on new residential construction by individuals and business investors. Total "Private and Public Investment in Canada" can be obtained by adding lines 4 and 5, except for the year 1959 - See footnote 4, Table 54.

⁵ The book value of inventories is deflated to remove the effect of price changes and the derived "physical" change is then valued at average prices of the current period to obtain the value of physical change. The difference between this value of physical change and the change in book value is called the inventory valuation adjustment (see line 7, Table 1).

⁶ Excludes shipments of military equipment to NATO countries under the Defence Appropriation Act. See also Table 55.

TABLE 3. Relation between Net National Income at Factor Cost, Personal Income, Personal Disposable Income, and Personal Net Saving, 1954-59

Line No.		1954	1955	1956	1957	1958	1959
millions of dollars							
1	Net National Income at factor cost	19,032	20,737	23,166	23,860	24,702	26,281
2	Add: Transfer payments (excluding interest on the public debt and charitable contributions from corporations) ¹	1,634	1,737	1,766	2,079	2,657	2,785
3	Add: Interest on the public debt ¹	669	669	714	741	781	937
4	Deduct: Earnings not paid out to persons ²	-2,914	-3,405	-3,761	-3,656	-3,700	-4,063
5	Equals: Personal income	18,421	19,738	21,885	23,024	24,440	25,940
6	Deduct: Personal direct taxes	-1,437	-1,499	-1,732	-1,917	-1,794	-2,088
7	Equals: Personal disposable income	16,984	18,239	20,153	21,107	22,646	23,852
8	Deduct: Personal expenditure on consumer goods and services	-16,175	-17,389	-18,833	-19,964	-21,035	-22,261
9	Equals: Personal net saving	809	850	1,320	1,143	1,611	1,591
10	Value of physical change in farm inventories	-75	198	241	-152	-79	-67
11	Personal saving excluding change in farm inventories	884	652	1,079	1,295	1,690	1,658

¹ Since National Income excludes transfer payments and personal income includes them, items 2 and 3 are added back here. However, charitable contributions from corporations are not added since they are included in National Income.

² This item includes: undistributed corporation profits, corporation profits taxes, withholding taxes, government investment income, adjustment on grain transactions, inventory valuation adjustment, and employer and employee contributions to social insurance and government pension funds.

TABLE 4. Relation between Gross National Product at Market Prices and Gross Domestic Product at Factor Cost, 1954-59

Line No.		1954	1955	1956	1957	1958	1959
millions of dollars							
1	Gross National Product at market prices	24,871	27,132	30,585	31,773	32,606	34,593
2	Deduct: Residual error of estimate	13	108	-141	-71	-98	39
3	Indirect taxes less subsidies	-2,947	-3,237	-3,636	-3,848	-3,883	-4,220
4	Income received from non-residents	-147	-160	-142	-149	-166	-170
5	Add: Income paid to non-residents	423	483	523	593	586	656
6	Gross domestic product at factor cost	22,213	24,326	27,189	28,298	29,045	30,898

TABLE 5. Gross National Expenditure in Constant (1949) Dollars, 1954-59

Line No.		1954	1955	1956	1957	1958	1959
		millions of dollars					
1	Personal expenditure on consumer goods and services	13,650	14,662	15,603	15,984	16,421	17,163
2	Government expenditure on goods and services	3,415	3,563	3,794	3,832	3,985	4,031
3	Current expenditure	2,676	2,767	2,869	2,866	3,031	2,956
4	Gross fixed capital formation	739	796	925	966	954	1,075
5	Business gross fixed capital formation	3,723	3,962	4,891	5,085	4,738	4,601
6	New residential construction	946	1,040	1,110	997	1,220	1,159
7	New non-residential construction	1,272	1,365	1,816	2,107	1,877	1,688
8	New machinery and equipment	1,505	1,557	1,965	(1,981)	(1,641)	1,754
9	Change in inventories	-216	419	955	138	-380	204
10	Non-farm business inventories	-39	134	648	270	-228	281
11	Farm inventories and grain in commercial channels	-177	285	307	-132	-152	-77
12	Exports of goods and services	4,616	4,969	5,340	5,360	5,440	5,557
13	Deduct: Imports of goods and services	-5,013	-5,742	-6,662	-6,596	-6,198	-6,821
14	Residual error of estimate	11	87	-110	-54	-73	28
15	Gross National Expenditure in constant (1949) dollars	20,186	21,920	23,811	23,749	23,933	24,763
16	Index, line 15, 1949 = 100	123.5	134.1	145.7	145.3	146.4	151.5

TABLE 6. Implicit Price Indexes - Gross National Expenditure, 1954-59¹

Line No.		1954	1955	1956	1957	1958	1959
1	Personal expenditure on consumer goods and services	118.5	118.6	120.7	124.9	128.1	129.7
2	Government expenditure on goods and services	130.6	134.5	142.0	149.7	154.6	159.7
3	Current expenditure	131.5	135.8	143.8	152.0	157.4	163.6
4	Gross fixed capital formation	127.5	129.9	136.2	143.1	145.6	148.8
5	Business gross fixed capital formation	128.4	131.5	138.5	144.2	147.2	151.3
6	New residential construction	129.7	132.5	137.5	141.3	144.5	150.4
7	New non-residential construction	131.4	135.4	142.6	147.3	149.0	153.6
8	New machinery and equipment	125.0	127.4	135.3	142.5	146.3	149.7
9	Exports of goods and services	111.5	116.0	119.2	119.3	116.4	119.8
10	Imports of goods and services	111.2	112.2	115.8	118.2	118.8	118.2
11	Residual error of estimate	122.5	124.7	129.1	133.7	135.6	139.3
12	Gross National Expenditure at market prices	123.2	123.8	128.4	133.8	136.2	139.7

¹ These implicit indexes are currently weighted price indexes. They reflect not only pure price changes, but also changing expenditure patterns within and between major groups. The implicit price index for Gross National Expenditure is derived by dividing the total of current dollars by the total of constant dollars.

2. Analysis of Income and Expenditure Accounts
by Sectors of the Canadian Economy

TABLE 7. Personal Income and Expenditure Account, 1954-59
Income

Item No.		1954	1955	1956	1957	1958	1959
		millions of dollars					
1	Wages, salaries, and supplementary labour income:						
	(a) From business (28 a)	10,454	11,081	12,517	13,356	13,514	14,467
	(b) From governments (19 bi)	1,545	1,682	1,871	2,085	2,309	2,597
	(c) From persons (9 b)	433	460	502	555	611	653
	(d) Deduct employer and employee contributions to social insurance and government pension funds (17)	-422	-476	-532	-589	-614	-664
2	Military pay and allowances (19 bii)	367	394	424	476	491	496
3	Net income received by farm operators from farm production ¹ (28 c)	1,009	1,200	1,430	1,002	1,197	1,116
4	Net income of non-farm unincorporated business (28 e)	1,656	1,791	1,965	2,011	2,119	2,150
5	Interest, dividends, and net rental income of persons ² (44 a)	1,719	1,840	1,908	2,013	2,120	2,300
6	Transfer payments (excluding interest):						
	(a) From governments (20 b)	1,634	1,737	1,766	2,079	2,657	2,785
	(b) Charitable contributions from corporations (44 b)	26	29	34	36	36	40
7	Total	18,421	19,738	21,885	23,024	24,440	25,940

¹ This item differs from line 5 of Table 1 in that it excludes the adjustment which has been made to take account of the accrued net earnings arising out of the operations of the Canadian Wheat Board.

² Includes all government debt interest paid to persons.

TABLE 8. Personal Income and Expenditure Account, 1954-59
Expenditure

Item No.		1954	1955	1956	1957	1958	1959
		millions of dollars					
8	Personal direct taxes:						
	(a) Income taxes (12 a)	1,296	1,297	1,496	1,693	1,555	1,747
	(b) Succession duties (12 b)	78	127	146	126	126	130
	(c) Miscellaneous (12 c)	63	75	90	98	113	211
9	Purchases of goods and services:						
	(a) From business (24 a)	15,266	16,375	17,714	18,762	19,758	20,891
	(b) Direct services (1 c)	433	460	502	555	611	653
	(c) Travel expenditure (34 a)	389	449	498	525	542	589
	(d) Other expenditures abroad (34 b)	87	105	119	122	124	128
10	Personal net saving ¹ (48)	809	850	1,320	1,143	1,611	1,591
11	Total	18,421	19,738	21,885	23,024	24,440	25,940

¹ This series includes changes in farm inventories, see Table 3.

TABLE 9. Government Revenue and Expenditure Account, 1954-59¹

Revenue

Item No.		1954	1955	1956	1957	1958	1959
		millions of dollars					
12	Direct taxes — Persons:						
	(a) Income taxes (8 a)	1,296	1,297	1,496	1,693	1,555	1,747
	(b) Succession duties (8 b)	78	127	146	126	126	130
	(c) Miscellaneous (8 c)	63	75	90	98	113	211
13	Direct taxes — Corporations:						
	(a) Income tax collections (44 c)	1,176	1,109	1,373	1,551	1,333	1,437
	(b) Excess of income tax liabilities over income tax collections (44 d)	-94	163	40	-225	-53	69
14	Withholding taxes (44 e)	58	67	69	83	48	72
15	Indirect taxes (29 a)	3,033	3,319	3,759	3,964	4,022	4,410
16	Investment income:						
	(a) Interest (44 f)	237	238	258	294	356	387
	(b) Profits of government business enterprises (44 g)	450	515	576	571	587	605
17	Employer and employee contributions to social insurance and government pension funds (1 d)	422	476	532	589	614	664
18	Total²	6,719	7,386	8,339	8,744	8,701	9,732

¹ See also Table 36.² Inter-governmental transfers are not included in this total, since in the consolidation of the government sector such transactions cancel out. For details of inter-governmental transfers, see Table 46.**TABLE 10. Government Revenue and Expenditure Account, 1954-59¹**

Expenditure

Item No.		1954	1955	1956	1957	1958	1959
		millions of dollars					
19	Purchase of goods and services: ²						
	(a) From business (24 b)	2,549	2,716	3,091	3,177	3,361	3,344
	(b) Direct services:						
	(i) Wages and salaries (1 b)	1,545	1,682	1,871	2,085	2,309	2,597
	(ii) Military pay and allowances (2)	367	394	424	476	491	496
20	Transfer payments:						
	(a) Interest (45)	669	669	714	741	781	937
	(b) Other (6 a)	1,634	1,737	1,766	2,079	2,657	2,785
21	Subsidies (29 b)	86	82	123	116	139	190
22	Surplus (+) or deficit (-) (on transactions relating to the National Accounts) ³ (51)	-131	106	350	70	-1,037	-617
23	Total⁴	6,719	7,386	8,339	8,744	8,701	9,732

¹ See also Table 37.² See line 2, Table 2.³ For a reconciliation of the federal content of this consolidated surplus (or deficit) with the conventional federal budgetary surplus (or deficit) see Table 53.⁴ In addition to total expenditure, this item includes the government surplus or deficit. Inter-governmental transfers are not included in this total, since in the consolidation of the government sector such transactions cancel out. For details of inter-governmental transfers, see Table 46.

TABLE 11. Business Operating Account, 1954-59

Revenue

Item No.		1954	1955	1956	1957	1958	1959
		millions of dollars					
24	Sales to residents:						
	(a) Persons (9 a).....	15,266	16,375	17,714	18,762	19,758	20,891
	(b) Governments ¹ (19 a)	2,549	2,716	3,091	3,177	3,361	3,344
	(c) Business gross fixed capital formation: ²						
	(i) New residential construction (54 a).....	1,227	1,378	1,526	1,409	1,763	1,743
	(ii) New non-residential construction (54 b)	1,671	1,848	2,589	3,103	2,811	2,592
	(iii) New machinery and equipment (54 c).....	1,881	1,984	2,659	2,823	2,401	2,626
	(d) Value of physical change in inventories (55)	-130	311	1,084	210	-435	300
25	Sales to non-residents:						
	(a) Travel expenditure (38 b)	305	328	337	363	349	397
	(b) Other (38 c)	4,695	5,276	5,886	5,882	5,817	6,090
26	Residual error of estimate	13	109	-142	-72	- 99	39
27	Total	27,477	30,325	34,744	35,657	35,726	38,022

¹ See footnotes 1, 2, 3, Table 2.² See footnote 4, Table 2.**TABLE 12. Business Operating Account, 1954-59**

Expenditure

Item No.		1954	1955	1956	1957	1958	1959
		millions of dollars					
28	Factor costs:						
	(a) Wages, salaries, and supplementary labour income (1 a)	10,454	11,081	12,517	13,356	13,514	14,467
	(b) Investment income (excluding interest and dividends received from non-residents and including interest and dividends paid to non-residents) (41)	3,750	4,577	5,056	4,896	4,918	5,416
	(c) Net income received by farm operators from farm production ¹ (3)	1,009	1,200	1,430	1,002	1,197	1,116
	(d) Adjustment on grain transactions ² (49 c)	8	64	20	- 6	- 4	- 8
	(e) Net income of non-farm unincorporated business(4)	1,656	1,791	1,965	2,011	2,119	2,150
	(f) Inventory valuation adjustment (50)	86	-189	-238	- 71	- 33	-120
29	Other costs:						
	(a) Indirect taxes (15)	3,033	3,319	3,759	3,964	4,022	4,410
	(b) Less subsidies (21)	-86	- 82	-123	-116	-139	-190
	(c) Capital consumption allowances and miscellaneous valuation adjustments (49 b).....	2,905	3,266	3,642	3,994	3,923	4,131
30	Purchases from non-residents (33 b)	4,675	5,406	6,575	6,556	6,111	6,689
31	Residual error of estimate	-13	-108	141	71	98	- 39
32	Total	27,477	30,325	34,744	35,657	35,726	38,022

¹ See footnote 1, Table 7.² This item is the adjustment to take account of the accrued earnings of farm operators arising out of the operations of the Canadian Wheat Board. See footnote 5, Table 52.

TABLE 13. Non-Residents' Revenue and Expenditure Account, 1954 - 59¹

Receipts from Canada
(Canadian Imports)

Item No.		1954	1955	1956	1957	1958	1959
		millions of dollars					
33	Receipts from business:						
	(a) Interest and dividends (46 a)	354	416	455	515	500	557
	(b) Other than interest and dividends (30)	4, 675	5, 406	6, 575	6, 556	6, 111	6, 689
34	Receipts from persons:						
	(a) Travel expenditure (9 c)	389	449	498	525	542	589
	(b) All other receipts (9 d)	87	105	119	122	124	128
35	Receipts from Government — Interest (46 b)	69	67	68	78	86	99
36	Surplus (+) or deficit (-) on current account (on transactions relating to the National Accounts) (56)	-427	-679	-1, 350	-1, 402	-1, 031	-1, 405
37	Total	5, 147	5, 764	6, 365	6, 394	6, 332	6, 657

¹ These figures differ from those shown in reports on *The Canadian Balance of International Payments*, Dominion Bureau of Statistics, because adjustments have been made to the figures of receipts and payments to achieve consistency with other component series. See Table 55.

TABLE 14. Non-Residents' Revenue and Expenditure Account, 1954 - 59¹

Payments to Canada
(Canadian Exports)

Item No.		1954	1955	1956	1957	1958	1959
		millions of dollars					
38	Payments to business:						
	(a) Interest and dividends (42 a)	61	80	73	76	78	78
	(b) Travel expenditure (25 a)	305	328	337	363	349	397
	(c) Other payments (25 b)	4, 695	5, 276	5, 886	5, 882	5, 817	6, 090
39	Payments to other sectors:						
	Interest and dividends (42 b)	86	80	69	73	88	92
40	Total	5, 147	5, 764	6, 365	6, 394	6, 332	6, 657

¹ See footnote 1, Table 13.

TABLE 15. Investment Income Appropriation Account, 1954 - 59

Source

Item No.		1954	1955	1956	1957	1958	1959
		millions of dollars					
41	Investment income (excluding interest and dividends received from non-residents and including interest and dividends paid to non-residents) (28 b)	3, 750	4, 577	5, 056	4, 896	4, 918	5, 416
42	Interest and dividends from non-residents received by:						
	(a) Corporations (38 a)	61	80	73	76	78	78
	(b) Other sectors (39)	86	80	69	73	88	92
43	Total	3, 897	4, 737	5, 198	5, 045	5, 084	5, 586

TABLE 16. Investment Income Appropriation Account, 1954-59
Disposition

Item No.		1954	1955	1956	1957	1958	1959
		millions of dollars					
44	To Canadian residents:						
	(a) Interest, dividends, and net rental income of persons (5)	1,719	1,840	1,908	2,013	2,120	2,300
	(b) Charitable contributions from corporations (6b)	26	29	34	36	36	40
	(c) Corporation income tax collections (13a)	1,176	1,109	1,373	1,551	1,333	1,437
	(d) Excess of corporation income tax liabilities over collections (13b)	-94	163	40	-225	-53	69
	(e) Withholding taxes (14)	58	67	69	83	48	72
	(f) Government interest revenue (16a)	237	238	258	294	356	387
	(g) Profits of government business enterprises (16b)	450	515	576	571	587	605
	(h) Undistributed corporation profits (49a)	571	962	1,131	870	852	957
45	Less: Interest on the public debt (20a)	-669	-669	-714	-741	-781	-937
46	To non-residents, interest and dividends received from:						
	(a) Business (33a)	354	416	455	515	500	557
	(b) Government (35)	69	67	68	78	86	99
47	Total	3,897	4,737	5,198	5,045	5,084	5,586

TABLE 17. National Saving Account, 1954-59
Source

Item No.		1954	1955	1956	1957	1958	1959
		millions of dollars					
48	Personal net saving (10)	809	850	1,320	1,143	1,611	1,591
49	Business gross saving:						
	(a) Undistributed corporation profits (44h)	571	962	1,131	870	852	957
	(b) Capital consumption allowances and miscellaneous valuation adjustments (29c)	2,905	3,266	3,642	3,994	3,923	4,131
	(c) Adjustment on grain transactions (28d)	8	64	20	-6	-4	-8
50	Inventory valuation adjustment (28f)	86	-189	-238	-71	-33	-120
51	Government surplus (+) or deficit (-) (22)	-131	106	350	70	-1,037	-617
52	Residual error of estimate	-13	-108	141	71	98	-39
53	Total	4,235	4,951	6,366	6,071	5,410	5,895

TABLE 18. National Saving Account, 1954-59
Disposition

Item No.		1954	1955	1956	1957	1958	1959
millions of dollars							
54	Business gross fixed capital formation: ¹						
	(a) New residential construction (24 ci)	1,227	1,378	1,526	1,409	1,763	1,743
	(b) New non-residential construction (24 cii)	1,671	1,848	2,589	3,103	2,811	2,592
	(c) New machinery and equipment (24 ciii)	1,881	1,984	2,659	2,823	2,401	2,626
55	Value of physical change in inventories (24 d)	-130	311	1,084	210	-435	300
56	Surplus (+) or deficit (-) on current account with non-residents ² (36)	-427	-679	-1,350	-1,402	-1,031	-1,405
57	Residual error of estimate	13	109	-142	-72	-99	39
58	Total	4,235	4,951	6,366	6,071	5,410	5,895

¹ See footnote 4, Table 2. For reconciliation with *Private and Public Investment* figures published by the Department of Trade and Commerce, see Table 54.

² See footnote 1, Table 13.

TABLE 19. Sector Accounts Consolidation, 1954-59
National Income and Gross National Product

Line No.		1954	1955	1956	1957	1958	1959
millions of dollars							
	Income originating in:						
	Personal sector:						
1	Wages, salaries, and supplementary labour income	433	460	502	555	611	653
2	Business sector	16,963	18,524	20,750	21,188	21,711	23,021
3	Wages, salaries, and supplementary labour income	10,454	11,081	12,517	13,356	13,514	14,467
4	Investment income (excluding interest and dividends received from non-residents and including interest and dividends paid to non-residents)	3,750	4,577	5,056	4,896	4,918	5,416
5	Net income received by farm operators from farm production	1,009	1,200	1,430	1,002	1,197	1,116
6	Adjustment on grain transactions	8	64	20	- 6	- 4	- 8
7	Net income of non-farm unincorporated business	1,656	1,791	1,965	2,011	2,119	2,150
8	Inventory valuation adjustment	86	-189	-238	- 71	-33	-120
9	Government sector	1,912	2,076	2,295	2,561	2,800	3,093
10	Wages, salaries, and supplementary labour income	1,545	1,682	1,871	2,085	2,309	2,597
11	Military pay and allowances	367	394	424	476	491	496
12	Non-residents' sector	-276	-323	-381	-444	-420	-486
	Interest and dividends paid by non-residents:						
13	(a) To Canadian corporations	61	80	73	76	78	78
14	(b) To other Canadian sectors	86	80	69	73	88	92
	Less interest and dividends received by non-residents:						
15	(a) From Canadian business	-354	-416	-455	-515	-500	-557
16	(b) From Canadian governments	- 69	- 67	- 68	- 78	- 86	- 99
17	Net national income at factor cost	19,032	20,737	23,166	23,860	24,702	26,281
18	Capital consumption allowances and miscellaneous valuation adjustments	2,905	3,266	3,642	3,994	3,923	4,131
19	Indirect taxes	3,033	3,319	3,759	3,964	4,022	4,410
20	Less subsidies	- 86	- 82	-123	-116	-139	-190
21	Residual error of estimate	- 13	-108	141	71	98	- 39
22	Gross National Product at market prices	24,871	27,132	30,585	31,773	32,606	34,593

TABLE 20. Sector Accounts Consolidation, 1954-59
Gross National Expenditure

Line No.		1954	1955	1956	1957	1958	1959
		millions of dollars					
1	Personal expenditure on consumer goods and services	16,175	17,389	18,833	19,964	21,035	22,261
2	Purchases from business	15,266	16,375	17,714	18,762	19,758	20,891
3	Purchases of direct services	433	460	502	555	611	653
4	Purchases from non-residents	476	554	617	647	666	717
5	Government expenditure on goods and services	4,461	4,792	5,386	5,738	6,161	6,437
6	Purchases from business	2,549	2,716	3,091	3,177	3,361	3,344
7	Wages and salaries	1,545	1,682	1,871	2,085	2,309	2,597
8	Military pay and allowances	367	394	424	476	491	496
9	Business gross fixed capital formation	4,779	5,210	6,774	7,335	6,975	6,961
10	New residential construction	1,227	1,378	1,526	1,409	1,763	1,743
11	New non-residential construction	1,671	1,848	2,589	3,103	2,811	2,592
12	New machinery and equipment	1,881	1,984	2,659	2,823	2,401	2,626
13	Value of physical change in inventories	-130	311	1,084	210	-435	300
14	Exports of goods and services	5,147	5,764	6,365	6,394	6,332	6,657
15	Payments to Canadian business	5,061	5,684	6,296	6,321	6,244	6,565
16	Payments to other sectors	86	80	69	73	88	92
17	Imports of goods and services	-5,574	-6,443	-7,715	-7,796	-7,363	-8,062
18	Receipts from Canadian business	-5,029	-5,822	-7,030	-7,071	-6,611	-7,246
19	Receipts from persons	-476	-554	-617	-647	-666	-717
20	Receipts from government	-69	-67	-68	-78	-86	-99
21	Residual error of estimate	13	109	-142	-72	-99	39
22	Gross National Expenditure at market prices	24,871	27,132	30,585	31,773	32,606	34,593

SECTION B

INDUSTRIAL DISTRIBUTION OF GROSS DOMESTIC
PRODUCT AND OTHER AGGREGATES

TABLE 21. Gross Domestic Product at Factor Cost, by Industry, 1954-59¹

Line No.		1954	1955	1956	1957	1958	1959
		millions of dollars					
1	Agriculture	1,482	1,767	1,973	1,520	1,717	1,685
2	Forestry	406	438	462	407	340	359
3	Fishing and trapping	89	85	98	89	106	98
4	Mining, quarrying, and oil wells	887	1,071	1,196	1,232	1,158	1,299
5	Manufacturing	6,291	6,779	7,605	7,869	7,653	8,166
6	Construction	1,325	1,385	1,752	1,909	2,007	2,113
7	Transportation	1,499	1,719	1,983	2,034	1,955	2,148
8	Storage	60	68	79	81	80	85
9	Communication	422	473	532	583	613	655
10	Electric power, gas, and water utilities	594	664	768	860	926	1,005
11	Wholesale trade	999	1,080	1,260	1,376	1,377	1,508
12	Retail trade	2,075	2,243	2,437	2,582	2,729	2,824
13	Finance, insurance, and real estate ²	2,113	2,298	2,337	2,571	2,816	2,874
14	Public administration and defence	1,478	1,590	1,738	1,929	2,094	2,265
15	Service	2,493	2,666	2,969	3,256	3,474	3,814
16	Total	22,213	24,326	27,189	28,298	29,045	30,898

¹ For a reconciliation between Gross National Product at market prices and gross domestic product at factor cost, see Table 4. It should be noted that the data for wages, salaries, and supplementary labour income; and the inventory valuation adjustment are on an establishment basis, while the data for net income of unincorporated business; investment income; and capital consumption allowances and miscellaneous valuation adjustments are on company basis.

Details by industry on capital consumption allowances and miscellaneous valuation adjustments, and the inventory valuation adjustment are not given pending further research, and Tables 22 to 24 are therefore not additive to the above data.

² This group includes ownership of dwellings.

TABLE 22. Wages, Salaries, and Supplementary Labour Income, by Industry, 1954-59¹

Line No.		1954	1955	1956	1957	1958	1959
		millions of dollars					
1	Agriculture	139	161	172	173	176	221
2	Forestry	323	342	388	355	291	309
3	Fishing and trapping	21	20	23	21	26	24
4	Mining, quarrying, and oil wells	425	457	528	568	562	588
5	Manufacturing	4,053	4,299	4,766	4,997	4,947	5,223
6	Construction	889	936	1,239	1,347	1,369	1,497
7	Transportation	1,061	1,123	1,247	1,302	1,274	1,355
8	Storage	41	44	49	53	55	57
9	Communication	278	303	342	385	420	436
10	Electric power, gas, and water utilities	211	212	249	274	297	314
11	Wholesale trade	693	739	830	916	953	1,022
12	Retail trade	1,125	1,187	1,304	1,418	1,480	1,582
13	Finance, insurance, and real estate	513	554	619	700	756	804
14	Public administration and defence ¹	1,478	1,590	1,738	1,929	2,094	2,265
15	Service	1,549	1,650	1,820	2,034	2,225	2,516
16	Total	12,799	13,617	15,314	16,472	16,925	18,213

¹ Includes military pay and allowances.

TABLE 23. Investment Income, by Industry, 1954-59¹

Line No.		1954	1955	1956	1957	1958	1959
		millions of dollars					
1	Agriculture	43	44	48	53	56	59
2	Forestry	16	21	17	4	1	1
3	Fishing and trapping	—	—	—	—	—	—
4	Mining, quarrying, and oil wells	235	342	402	355	281	359
5	Manufacturing	1,231	1,552	1,722	1,581	1,497	1,723
6	Construction	95	86	122	146	163	163
7	Transportation	103	215	263	182	178	228
8	Storage	13	12	16	11	11	14
9	Communication	62	74	81	73	75	90
10	Electric power, gas, and water utilities	235	301	334	377	397	439
11	Wholesale trade	172	244	325	303	272	308
12	Retail trade	264	319	379	394	420	434
13	Finance, insurance, and real estate	1,110	1,178	1,129	1,173	1,313	1,328
14	Public administration and defence	—	—	—	—	—	—
15	Service	171	189	218	244	254	270
16	Total	3,750	4,577	5,056	4,896	4,918	5,416

¹ The total of this table does not agree with the sum of corporation profits; and rent, interest, and miscellaneous investment income in Table 1. Data in Table 1 are on a national concept basis, while the data in this table are on a domestic concept basis. Interest and dividends paid to non-residents are included in this table and interest and dividends received from non-residents are excluded from this table.

TABLE 24. Accrued Net Income of Farm Operators from Farm Production and Net Income of Non-Farm Unincorporated Business, by Industry, 1954-59

Line No.		1954	1955	1956	1957	1958	1959
		millions of dollars					
1	Agriculture	1,017	1,264	1,450	996	1,193	1,108
2	Forestry	48	62	54	35	30	21
3	Fishing and trapping	40	39	49	40	53	49
4	Mining, quarrying, and oil wells	6	6	6	6	6	6
5	Manufacturing	151	151	176	188	176	184
6	Construction	231	264	270	280	351	347
7	Transportation	59	66	71	72	73	85
8	Storage; communication; and electric power, gas, and water utilities	—	—	—	—	—	—
9	Retail trade	444	488	544	569	585	574
10	Wholesale trade	52	55	59	59	60	60
11	Finance, insurance, and real estate	55	63	68	68	70	72
12	Service	570	597	668	694	715	739
13	Total	2,673	3,055	3,415	3,007	3,312	3,258

TABLE 25. Business Gross Fixed Capital Formation, by Industry, 1954-59¹

Line No.		1954	1955	1956	1957	1958	1959
millions of dollars							
1	Agriculture	400	426	488	434	465	555
2	Fishing and trapping						
3	Forestry	46	63	76	48	33	46
4	Mining, quarrying, and oil wells	278	336	542	606	342	344
5	Manufacturing	822	947	1,394	1,479	1,095	1,074
6	Construction	97	174	200	158	157	183
7	Transportation	444	395	731	1,042	967	718
8	Storage ²						
9	Communication ³	192	219	254	312	336	325
10	Electric power, gas, and water utilities ²	523	516	772	949	845	799
11	Trade	368	329	325	370	356	333
12	Finance, insurance, and real estate ⁴	1,334	1,480	1,650	1,545	1,943	1,987
13	Service ⁵	275	325	342	392	436	447
14	Adjustment (not allocated) ⁶	—	—	—	—	—	150
15	Total	4,779	5,210	6,774	7,335	6,975	6,961

¹ This table is derived from *Private and Public Investment in Canada, 1946-1957* and *Private and Public Investment in Canada, Outlook, 1960*. Additional detail has been provided by the D.B.S. Business Finance Division and adjustments have been made to classify the data according to National Accounting concepts. (See reconciliation statement, Table 54). For an industrial distribution of both private and public investment see Table 3 and Table 1 respectively in the aforementioned publications.

² In accordance with the Standard Industrial Classification, outlays for investment of grain elevators are included in the storage industry. Prior to 1954 this item was assigned to the electric power, gas and water utilities industry. To facilitate historical comparison of the affected industries, the grain elevators investment figures are as follows: 1954, \$14 million; 1955, \$11 million; 1956, \$14 million; 1957, \$10 million; 1958, \$12 million; and 1959, \$24 million.

³ Excludes investment expenditures by the Canadian Broadcasting Corporation, which are included in "Government expenditure on goods and services".

⁴ Includes all new residential construction, (exclusive of government other than government business enterprises). See line 6, Table 2.

⁵ Excludes expenditures by government departments and government operated institutions which are included with "government expenditure on goods and services". Expenditures of government business enterprises (railways, power commissions, etc.) are included under appropriate industry headings.

⁶ This figure represents an upward revision to data published in *Public and Private Investment in Canada, Outlook 1960* to take account of later available information.

TABLE 26. Value of Physical Change in Inventories, by Industry, 1954-59

Line No.		1954	1955	1956	1957	1958	1959
millions of dollars							
1	Agriculture	-75	198	241	-152	-79	-67
2	Forestry	1	9	3	-4	-15	9
3	Fishing and trapping	—	—	—	—	—	—
4	Mining, quarrying, and oil wells	15	-6	15	54	42	-2
5	Manufacturing	-117	-6	433	128	-257	134
6	Construction	6	18	29	-6	-13	-3
7	Transportation	-12	-32	28	7	-21	11
8	Storage						
9	Communication						
10	Electric power, gas, and water utilities	—	-2	16	21	3	-1
11	Trade:						
11	Grain in commercial channels	-15	-20	35	51	-33	12
12	Wholesale (excluding grain in commercial channels)	5	47	127	75	-53	72
13	Retail	62	109	155	32	-9	134
14	Finance, insurance, and real estate						
15	Service	—	-4	2	4	—	1
16	Total	-130	311	1,084	210	-435	300

TABLE 27. Corporation Profits, by Industry, 1954-59

Line No.		1954	1955	1956	1957	1958	1959
		millions of dollars					
1	Agriculture	15	21	16	4	4	4
2	Forestry						
3	Fishing and trapping						
4	Mining, quarrying, and oil wells	221	325	382	329	253	335
5	Manufacturing	1,186	1,515	1,646	1,474	1,388	1,633
6	Construction	89	77	106	129	147	146
7	Transportation	81	144	177	148	157	198
8	Storage	11	11	15	10	10	12
9	Communication	39	43	48	47	49	61
10	Electric power, gas, and water utilities	49	55	60	63	69	82
11	Wholesale trade	151	222	295	267	241	274
12	Retail trade	130	170	213	205	219	231
13	Finance, insurance, and real estate	269	326	318	275	305	300
14	Service	49	56	69	76	73	74
	Adjustment ¹	—	—	—	—	15	-24
15	Total ²	2,290	2,965	3,345	3,027	2,930	3,326

¹ A recent revision to the quarterly corporation profits survey has, for technical reasons, not yet been incorporated into the tabular framework of the National Accounts. The above adjustment, however, permits agreement for the industrial detail between the quarterly corporation profits survey and the National Accounts data.

² For an analysis of total corporation profits see Table 50. For an explanation of the contents of this total, see footnote 1, Table 50.

SECTION C

GEOGRAPHICAL DISTRIBUTION OF PERSONAL INCOME

TABLE 28. Personal Income, Geographical Distribution, 1954-59¹

Line No.		1954	1955	1956	1957	1958	1959
		millions of dollars					
1	Newfoundland	258	277	311	332	359	378
2	Prince Edward Island	69	69	78	78	85	93
3	Nova Scotia	607	627	675	722	752	799
4	New Brunswick	435	450	497	507	533	571
5	Quebec	4,647	4,847	5,318	5,719	6,002	6,337
6	Ontario	7,397	7,918	8,617	9,322	9,837	10,520
7	Manitoba	927	999	1,126	1,123	1,252	1,317
8	Saskatchewan	809	1,022	1,226	1,007	1,138	1,181
9	Alberta	1,309	1,410	1,635	1,641	1,843	1,956
10	British Columbia	1,911	2,064	2,332	2,499	2,567	2,715
11	Yukon and Northwest Territories	27	31	43	39	36	37
12	Foreign Countries ²	25	24	27	35	36	36
13	Canada	18,421	19,738	21,885	23,024	24,440	25,940

¹ Geographical distributions of the main components only of personal income are given in Tables 31 to 35 inclusive; these tables, therefore, do not add to the total of personal income.

² Includes receipts of income of Canadians temporarily abroad, including pay and allowances of Canadian armed forces abroad.

TABLE 29. Personal Income per Person, Geographical Distribution, 1954-59

Line No.		1954	1955	1956	1957	1958	1959
		dollars					
1	Newfoundland	653	682	749	779	820	842
2	Prince Edward Island	683	690	788	788	850	912
3	Nova Scotia	902	918	971	1,029	1,059	1,116
4	New Brunswick	806	823	895	897	924	968
5	Quebec	1,059	1,073	1,149	1,202	1,229	1,268
6	Ontario	1,446	1,504	1,594	1,658	1,695	1,768
7	Manitoba	1,126	1,191	1,325	1,306	1,439	1,488
8	Saskatchewan	927	1,164	1,392	1,146	1,282	1,309
9	Alberta	1,239	1,292	1,456	1,415	1,535	1,574
10	British Columbia	1,476	1,538	1,667	1,681	1,663	1,729
11	Yukon and Northwest Territories	1,000	1,069	1,387	1,258	1,091	1,088
12	Canada	1,205	1,257	1,361	1,388	1,434	1,487

TABLE 30. Personal Disposable Income,¹ Geographical Distribution, 1954-59

Line No.		1954	1955	1956	1957	1958	1959
		millions of dollars					
1	Newfoundland	245	264	294	315	345	363
2	Prince Edward Island	67	67	75	76	83	91
3	Nova Scotia	574	601	644	692	716	760
4	New Brunswick	410	431	474	483	497	536
5	Quebec	4,331	4,463	4,900	5,239	5,598	5,880
6	Ontario	6,729	7,219	7,774	8,402	9,013	9,518
7	Manitoba	864	933	1,051	1,043	1,170	1,219
8	Saskatchewan	752	964	1,178	953	1,067	1,105
9	Alberta	1,217	1,323	1,536	1,526	1,719	1,818
10	British Columbia	1,745	1,922	2,160	2,307	2,369	2,492
11	Yukon and Northwest Territories	25	28	40	36	33	34
12	Foreign Countries ²	25	24	27	35	36	36
13	Canada	16,984	18,239	20,153	21,107	22,646	23,852

¹ Personal disposable income consists of total personal income less personal direct taxes.² Taxes paid by Canadians temporarily abroad cannot be estimated and all direct taxes are allocated to provincial personal incomes only.TABLE 31. Wages, Salaries, and Supplementary Labour Income,¹ Geographical Distribution, 1954-59

Line No.		1954	1955	1956	1957	1958	1959
		millions of dollars					
1	Newfoundland	177	191	215	227	230	247
2	Prince Edward Island	31	33	36	38	40	48
3	Nova Scotia	390	405	440	467	478	510
4	New Brunswick	279	293	327	333	340	372
5	Quebec	3,213	3,377	3,817	4,100	4,510	4,817
6	Ontario	5,189	5,546	6,198	6,731	6,936	7,401
7	Manitoba	604	635	700	736	763	832
8	Saskatchewan	439	445	499	534	566	608
9	Alberta	784	839	961	1,024	1,088	1,192
10	British Columbia	1,298	1,426	1,649	1,761	1,742	1,881
11	Yukon and Northwest Territories	22	26	39	34	31	33
12	Foreign Countries	6	7	9	11	10	10
13	Canada	12,432	13,223	14,890	15,996	16,434	17,717

¹ Excludes military pay and allowances, includes employer and employee contributions to social insurance and government pension funds.

**TABLE 32. Net Income Received by Farm Operators From Farm Production,¹
Geographical Distribution 1954 - 59**

Line No.		1954	1955	1956	1957	1958	1959
		millions of dollars					
1	Newfoundland	2	2	2	2	2	2
2	Prince Edward Island	12	11	13	9	12	11
3	Nova Scotia	17	15	16	15	14	14
4	New Brunswick	21	17	25	19	18	17
5	Quebec	217	218	186	179	192	176
6	Ontario	293	316	297	307	357	305
7	Manitoba	62	82	127	71	115	97
8	Saskatchewan	145	296	443	174	203	214
9	Alberta	190	197	273	177	233	231
10	British Columbia	50	46	48	49	51	49
11	Yukon and Northwest Territories	—	—	—	—	—	—
12	Canada	1, 009	1, 200	1, 430	1, 002	1, 197	1, 116

¹ This item differs from line 5 Table 1, in that it excludes the adjustment which has been made to take account of the accrued earnings arising out of the operations of the Canadian Wheat Board.

**TABLE 33. Net Income of Non-Farm Unincorporated Business, Geographical Distribution,
1954 - 59**

Line No.		1954	1955	1956	1957	1958	1959
		millions of dollars					
1	Newfoundland	28	29	33	34	33	35
2	Prince Edward Island	9	8	10	10	10	10
3	Nova Scotia	63	69	75	75	79	81
4	New Brunswick	46	50	52	49	55	57
5	Quebec	374	395	439	448	457	466
6	Ontario	628	688	736	749	802	815
7	Manitoba	99	101	109	113	119	120
8	Saskatchewan	86	89	104	113	114	115
9	Alberta	118	135	155	164	181	184
10	British Columbia	203	224	250	254	267	265
11	Yukon and Northwest Territories	2	3	2	2	2	2
12	Canada	1, 656	1, 791	1, 965	2, 011	2, 119	2, 150

**TABLE 34. Interest, Dividends, and Net Rental Income of Persons,
Geographical Distribution, 1954 - 59**

Line No.		1954	1955	1956	1957	1958	1959
		millions of dollars					
1	Newfoundland	16	17	18	17	18	19
2	Prince Edward Island	5	6	6	7	7	7
3	Nova Scotia	47	46	48	57	49	53
4	New Brunswick	34	33	34	34	36	39
5	Quebec	440	439	446	485	495	535
6	Ontario	751	828	850	906	980	1,067
7	Manitoba	82	86	94	97	103	112
8	Saskatchewan	54	78	83	75	79	85
9	Alberta	107	122	129	127	137	149
10	British Columbia	182	184	199	207	215	233
11	Yukon and Northwest Territories	1	1	1	1	1	1
12	Foreign Countries	—	—	—	—	—	—
13	Canada	1,719	1,840	1,908	2,013	2,120	2,300

**TABLE 35. Government Transfer Payments, Excluding Interest, Geographical Distribution,
1954 - 59**

Line No.		1954	1955	1956	1957	1958	1959
		millions of dollars					
1	Newfoundland	38	42	47	55	77	77
2	Prince Edward Island	10	11	11	13	15	16
3	Nova Scotia	69	72	73	84	104	113
4	New Brunswick	59	59	62	75	88	91
5	Quebec	443	467	483	564	709	711
6	Ontario	525	541	549	651	794	917
7	Manitoba	78	90	89	99	147	152
8	Saskatchewan	93	121	105	120	186	173
9	Alberta	109	118	121	149	207	207
10	British Columbia	208	214	224	267	327	328
11	Yukon and Northwest Territories	1	1	1	1	2	1
12	Foreign Countries	1	1	1	1	1	1
13	Canada	1,634	1,737	1,766	2,079	2,657	2,785

SECTION D

GOVERNMENT SUPPLEMENTARY TABLES

TABLE 36. Government Revenue and Expenditure, by Level of Government, 1954-59¹
Revenue

Line No.		1954	1955	1956	1957	1958	1959
		millions of dollars					
1	Direct taxes — Persons	1,437	1,499	1,732	1,917	1,794	2,088
2	Federal	1,319	1,325	1,550	1,723	1,581	1,770
3	Provincial	112	159	165	176	195	298
4	Municipal	6	15	17	18	18	20
5	Direct taxes — Corporations	1,082	1,272	1,413	1,326	1,280	1,506
6	Federal ²	1,018	1,210	1,334	1,120	1,047	1,248
7	Provincial	64	62	79	206	233	258
	Withholding taxes:						
8	Federal	58	67	69	83	48	72
9	Indirect taxes	3,033	3,319	3,759	3,964	4,022	4,410
10	Federal	1,612	1,744	1,972	1,990	1,912	2,131
11	Provincial	655	739	846	932	963	1,033
12	Municipal	766	836	941	1,042	1,147	1,246
13	Investment income	687	753	834	865	943	992
14	Federal	234	267	296	276	319	326
15	Provincial	289	309	346	383	394	430
16	Municipal	164	177	192	206	230	236
17	Employer and employee contributions to social insurance and government pension funds	422	476	532	589	614	664
18	Federal	287	324	357	384	391	413
19	Provincial	126	140	162	191	201	227
20	Municipal	9	12	13	14	22	24
21	Transfers from other levels of government	704	799	865	989	1,225	1,514
22	Provinces — From Canada	428	443	476	504	644	861
23	From municipalities	15	22	18	26	21	22
24	Municipalities — From Canada	2	7	9	16	22	20
25	From provinces	259	327	362	443	538	611
26	Total revenue	7,423	8,185	9,204	9,733	9,926	11,246
27	Federal	4,528	4,937	5,578	5,576	5,298	5,960
28	Provincial	1,689	1,874	2,092	2,418	2,651	3,129
29	Municipal	1,206	1,374	1,534	1,739	1,977	2,157

¹ For total government revenue and expenditure excluding inter-governmental transfers, see Tables 9 and 10.

² For details of tax collections and tax liabilities, see Table 50.

TABLE 37. Government Revenue and Expenditure, by Level of Government, 1954-59¹
Expenditure

Line No.		1954	1955	1956	1957	1958	1959
		millions of dollars					
1	Goods and services	4,461	4,792	5,386	5,738	6,161	6,437
2	Federal ²	2,449	2,510	2,683	2,727	2,849	2,818
3	Provincial	747	846	1,041	1,149	1,274	1,377
4	Municipal	1,265	1,436	1,662	1,862	2,038	2,242
5	Transfer payments	2,303	2,406	2,480	2,820	3,438	3,722
6	Federal	1,665	1,726	1,748	1,982	2,454	2,479
7	Provincial	526	560	605	685	815	1,057
8	Municipal	112	120	127	153	169	186
9	Subsidies	86	82	123	116	139	190
10	Federal	84	75	118	108	132	181
11	Provincial	2	7	5	8	7	9
12	Transfers to other levels of governments	704	799	865	989	1,225	1,514
13	Canada - To provinces	428	443	476	504	644	861
14	To municipalities	2	7	9	16	22	20
15	Provinces - To municipalities	259	327	362	443	538	611
16	Municipalities - To provinces	15	22	18	26	21	22
17	Total expenditure	7,554	8,079	8,854	9,663	10,963	11,863
18	Federal	4,628	4,761	5,034	5,337	6,101	6,359
19	Provincial	1,534	1,740	2,013	2,285	2,634	3,054
20	Municipal	1,392	1,578	1,807	2,041	2,228	2,450
21	Deficit (-) or surplus (+)	-131	106	350	70	-1,037	-617
22	Federal ³	-100	176	544	239	-803	-399
23	Provincial	155	134	79	133	17	75
24	Municipal	-186	-204	-273	-302	-251	-293
25	Total expenditure minus deficit (or plus surplus)	7,423	8,185	9,204	9,733	9,926	11,246
26	Federal	4,528	4,937	5,578	5,576	5,298	5,960
27	Provincial	1,689	1,874	2,092	2,418	2,651	3,129
28	Municipal	1,206	1,374	1,534	1,739	1,977	2,157

¹ For total government revenue and expenditure excluding inter-governmental transfers, see Tables 9 and 10.

² Defence expenditures included in these figures are as follows: 1954, \$1,727 million; 1955, \$1,760 million; 1956, \$1,802 million; 1957, \$1,765 million; 1958, \$1,661 million; 1959, \$1,560 million.

³ For the difference between this item and the conventional budgetary surplus or deficit, see reconciliation, Table 53.

TABLE 38. Direct Taxes - Persons, 1954-59

Line No.		1954	1955	1956	1957	1958	1959
		millions of dollars					
	Federal:						
1	Income	1,277	1,269	1,461	1,652	1,509	1,692
2	Succession duties	41	55	88	69	70	76
3	Miscellaneous	1	1	1	2	2	2
4	Total	1,319	1,325	1,550	1,723	1,581	1,770
	Provincial:						
5	Income	19	28	35	41	46	55
6	Motor vehicle licences and permits ¹	32	36	47	50	52	60
7	Succession duties	37	72	58	57	56	54
8	Hospital	9	9	7	11	22	109
9	Miscellaneous	15	14	18	17	19	20
10	Total	112	159	165	176	195	298
	Municipal:						
11	Miscellaneous	6	15	17	18	18	20
12	Grand total	1,437	1,499	1,732	1,917	1,794	2,088

¹ Personal share only. The business share is treated as an indirect tax.

TABLE 39. Direct Taxes — Corporations, 1954-59

Line No.		1954	1955	1956	1957	1958	1959
		millions of dollars					
1	Federal:						
	Income	1,018	1,210	1,334	1,120	1,047	1,248
2	Provincial:						
	Income	53	51	63	185	211	240
3	Tax on mining and logging profits	11	11	16	21	22	18
4	Total	64	62	79	206	233	258
5	Grand total	1,082	1,272	1,413	1,326	1,280	1,506

TABLE 40. Indirect Taxes, 1954-59

Line No.		1954	1955	1956	1957	1958	1959
		millions of dollars					
1	Federal:						
	Banks and insurance companies	14	14	15	17	—	—
2	Customs import duties	387	452	545	523	478	520
3	Excise duties	225	242	267	287	313	332
4	Excise taxes	974	1,028	1,131	1,150	1,107	1,255
5	Miscellaneous	12	8	14	13	14	24
6	Total	1,612	1,744	1,972	1,990	1,912	2,131
7	Provincial:						
	Amusement	23	21	21	21	22	22
8	Corporation tax (not on profits)	18	18	22	23	27	28
9	Gasoline	235	261	290	339	354	378
10	Licences, fees, and permits	22	24	25	26	26	29
11	Motor vehicle licences and permits ¹	56	61	78	78	87	88
12	Miscellaneous taxes on natural resources	83	104	119	123	114	134
13	Real and personal property	7	9	8	8	8	9
14	Retail sales tax (including liquor and tobacco)	139	158	191	201	204	225
15	Miscellaneous	72	83	92	113	121	120
16	Total	655	739	846	932	963	1,033
17	Municipal:						
	Amusement	3	2	2	2	2	2
18	Licences, fees, and permits	22	26	27	32	33	34
19	Real and personal property	626	682	765	853	936	1,021
20	Retail sales tax	37	44	52	53	59	61
21	Miscellaneous	78	82	95	102	117	128
22	Total	766	836	941	1,042	1,147	1,246
23	Grand total	3,033	3,319	3,759	3,964	4,022	4,410

¹ Business share only. The personal share is treated as a direct tax.

TABLE 41. Government Investment Income, 1954 - 59

Line No.		1954	1955	1956	1957	1958	1959
		millions of dollars					
	Federal:						
1	Interest on government-held public funds	63	68	77	86	101	102
2	Interest on loans, advances and investments	69	60	55	63	92	105
3	Profits (net of losses) of government business enterprises	102	139	164	127	126	119
4	Total	234	267	296	276	319	326
	Provincial:						
5	Interest on government-held public funds	37	38	41	47	53	56
6	Interest on loans, advances and investments	42	43	53	62	70	80
7	Profits (net of losses) of government business enterprises	210	228	252	274	271	294
8	Total	289	309	346	383	394	430
	Municipal:						
9	Interest on government-held public funds	7	8	9	9	10	10
10	Interest on loans, advances and investments	19	21	23	27	30	34
11	Profits (net of losses) of government business enterprises	138	148	160	170	190	192
12	Total	164	177	192	206	230	236
13	Grand total	687	753	834	865	943	992

TABLE 42. Employer and Employee Contributions to Social Insurance and Government Pension Funds, 1954 - 59

		1954	1955	1956	1957	1958	1959
		millions of dollars					
	Federal:						
1	Public service pensions	129	159	173	193	206	209
2	Unemployment insurance	158	165	184	191	185	204
3	Total	287	324	357	384	391	413
	Provincial:						
4	Public service pensions	41	49	54	65	77	88
5	Workmen's compensation	71	77	90	106	104	118
6	Industrial employees' vacations	14	14	18	20	20	21
7	Total	126	140	162	191	201	227
	Municipal:						
8	Public service pensions	9	12	13	14	22	24
9	Grand total	422	476	532	589	614	664

TABLE 43. Government Expenditure on Goods and Services, 1954-59

Line No.		1954	1955	1956	1957	1958	1959
		millions of dollars					
1	Federal:						
2	Wages, salaries, and supplementary labour income	619	664	736	810	889	960
3	Military pay and allowances	367	394	424	476	491	496
4	Other purchases of goods and services	1,463	1,452	1,523	1,441	1,469	1,362
5	Total¹	2,449	2,510	2,683	2,727	2,849	2,818
6	Provincial:						
7	Wages, salaries, and supplementary labour income	320	350	390	438	501	554
8	Other purchases of goods and services	427	496	651	711	773	823
9	Total¹	747	846	1,041	1,149	1,274	1,377
10	Municipal:						
11	Wages, salaries, and supplementary labour income	606	668	745	837	919	1,083
12	Other purchases of goods and services	659	768	917	1,025	1,119	1,159
13	Total¹	1,265	1,436	1,662	1,862	2,038	2,242
14	Grand total	4,461	4,792	5,386	5,738	6,161	6,437

¹ Includes fixed capital formation by governments. The major portion of this fixed capital formation is in "other purchases of goods and services". A small portion of the total fixed capital formation is also in the line called "wages, salaries, and supplementary labour income" for work done by the governments' own work force. Fixed capital formation by levels of government is shown below:

	1954	1955	1956	1957	1958	1959
	millions of dollars					
Federal	290	297	379	365	360	413
Provincial	300	351	460	535	518	637
Municipal	352	386	421	482	511	550
Total	942	1,034	1,260	1,382	1,389	1,600

TABLE 44. Government Transfer Payments Including Interest, 1954-59

Line No.		1954	1955	1956	1957	1958	1959
		millions of dollars					
1	Federal:						
2	Family allowances	362	378	394	423	470	487
3	Re-establishment credits	6	4	3	2	2	2
4	Rehabilitation benefits	3	2	1	1	1	1
5	Pensions World Wars I and II ¹	117	119	119	128	137	137
6	War veterans' allowances	31	39	44	49	59	62
7	Unemployment insurance benefits	241	229	210	305	492	406
8	Prairie farm assistance act	2	33	5	2	21	20
9	Pensions to government employees	25	38	42	46	50	54
10	Interest on the public debt	504	494	524	519	544	678
11	Old age security fund payments	350	363	376	433	555	571
12	Payments to western grain producers					39	2
13	Grants to universities				28	30	—
14	Assistance to immigrants	24	27	30	14	9	1
15	Miscellaneous				32	45	58
16	Total	1,665	1,726	1,748	1,982	2,454	2,479
17	Provincial:						
18	Direct relief	14	17	20	21	26	32
19	Workmen's compensation benefits	58	62	70	77	80	85
20	Old age pensions	56	57	60	65	80	82
21	Mothers' and dependents' allowances	27	33	37	49	69	72
22	Pensions to government employees	20	23	25	28	31	34
23	Grants to private non-commercial institutions	228	248	264	287	363	573
24	Interest on the public debt	97	97	105	118	129	137
25	Miscellaneous	26	23	24	40	37	42
26	Total	526	560	605	685	815	1,057
27	Municipal:						
28	Direct relief	16	18	19	21	31	32
29	Pensions to government employees	5	7	7	8	10	10
30	Grants to private non-commercial institutions	23	17	16	20	20	22
31	Interest on the public debt	68	78	85	104	108	122
32	Total	112	120	127	153	169	186
33	Grand total	2,303	2,406	2,480	2,820	3,438	3,722

¹ Excludes pensions paid to non-residents, which are treated as government expenditure on goods and services. The amounts in the terminal years 1954 and 1959 were \$12 million and \$13 million, respectively.

TABLE 45. Subsidies, 1954-59

Line No.		1954	1955	1956	1957	1958	1959
		millions of dollars					
	Federal:						
	Agricultural:						
1	Feed freight assistance, western grain	19	16	17	17	19	22
2	Hog premiums	5	6	6	6	6	8
3	Agricultural commodities stabilization board loss	3	6	5	6	15	50
4	Assistance re storage costs on grain	—	—	44	32	37	42
5	Miscellaneous	6	2	1	2	4	2
6	Total	33	30	73	63	81	124
	Other subsidies:						
7	Emergency gold mines assistance	15	11	9	9	10	13
8	Maritime freight rates act	11	11	12	12	15	14
9	Movement of coal	12	11	9	9	9	13
10	Miscellaneous	13	12	15	15	17	17
11	Total other	51	45	45	45	51	57
12	Total federal subsidies	84	75	118	108	132	181
13	Total provincial subsidies	2	7	5	8	7	9
14	Grand total	86	82	123	116	139	190

TABLE 46. Transfers to Other Levels of Government, 1954-59

Line No.		1954	1955	1956	1957	1958	1959
		millions of dollars					
	Federal:						
	To provinces:						
1	Old age and blind pensions	23	21	24	24	34	35
2	Disabled persons allowances	—	4	7	9	15	16
3	Subsidies to provinces	20	20	20	21	21	21
4	Taxation agreements	330	329	359	362	425	476
5	Health grants to provinces	31	34	34	33	39	52
6	Trans-Canada highway	12	20	17	38	55	50
7	Government contribution under the Hospital Insurance and Diagnostic Act	—	—	—	—	17	130
8	Unemployment assistance	—	—	4	6	18	31
9	Other	12	15	11	11	20	5
10	Sub-total	428	443	476	504	644	861
	To municipalities:						
11	Payments to municipalities	2	7	9	16	22	20
12	Total	430	450	485	520	666	881
	Provincial:						
13	To municipalities	259	327	362	443	538	611
	Municipal:						
14	To provinces	15	22	18	26	21	22
15	Grand total	704	799	863	989	1,225	1,514

SECTION E

MISCELLANEOUS TABLES

TABLE 47. Personal Expenditure on Consumer Goods and Services, 1954-59

Line No.		1954	1955	1956	1957	1958	1959
		millions of dollars					
1	Food	4,030	4,236	4,571	4,920	5,225	5,401
2	Tobacco and alcoholic beverages	1,114	1,181	1,278	1,370	1,456	1,555
3	Tobacco products and smokers' accessories	461	480	527	571	628	693
4	Alcoholic beverages	653	701	751	799	828	862
5	Clothing and personal furnishings	1,826	1,900	2,037	2,099	2,177	2,258
6	Men's and boys' clothing	411	430	463	471	482	499
7	Women's and children's clothing	779	808	871	898	933	971
8	Footwear	226	231	242	252	269	284
9	Laundry and dry cleaning	135	142	156	166	169	170
10	Other	275	289	305	312	324	334
11	Shelter ¹	2,192	2,454	2,621	2,871	3,090	3,337
12	Gross rents paid by tenants	639	694	729	797	859	931
13	Expenses (taxes, insurance, etc.) paid by owner occupants	689	788	911	1,039	1,144	1,245
14	Net imputed residential rent and imputed residential capital consumption allowances	668	770	760	804	856	929
15	Other	196	202	221	231	231	232
16	Household operation	2,104	2,272	2,509	2,585	2,697	2,872
17	Fuel	334	358	415	420	421	443
18	Electricity	191	212	235	257	272	299
19	Gas	44	47	52	60	69	93
20	Telephone	172	188	221	241	268	293
21	Furniture	249	284	315	307	310	313
22	Home furnishings	211	224	245	251	259	275
23	Appliances, radios and television sets	412	460	491	489	494	524
24	Other	491	499	535	560	604	632
25	Transportation	1,800	2,023	2,211	2,339	2,501	2,642
26	Street-car, railway and other fares	313	317	338	361	367	389
27	New automobiles, used automobiles (net) and house trailer	859	1,018	1,090	1,093	1,130	1,229
28	Automotive operating expenses	628	688	783	885	1,004	1,024
29	Personal and medical care and death expenses	1,091	1,166	1,316	1,430	1,538	1,661
30	Medical and dental care	225	240	280	292	308	321
31	Hospital care, private duty nursing, accident and sickness insurance, prepaid medical care	406	440	490	551	602	673
32	Other	460	486	546	587	628	667
33	Miscellaneous	2,018	2,157	2,290	2,350	2,351	2,535
34	Motion picture theatres ²	97	86	81	77	75	68
35	Newspapers and magazines	175	182	184	187	209	222
36	Net expenditure abroad	108	156	204	204	236	234
37	Other	1,638	1,733	1,821	1,882	1,831	2,011
38	Grand total	16,175	17,389	18,833	19,964	21,035	22,261
39	Durable goods	1,970	2,245	2,431	2,431	2,500	2,658
40	Major durable goods ³	1,731	1,986	2,142	2,139	2,193	2,340
41	Miscellaneous durable goods ⁴	239	259	289	292	307	318
42	Non-durable goods ⁵	8,373	9,065	9,736	10,357	10,853	11,400
43	Services ^{5,6}	5,832	6,079	6,666	7,176	7,682	8,203

¹ Excludes transients' shelter.² Excludes amusement taxes.³ Includes house trailers, new automobiles, net expenditure on used automobiles, home furnishings, furniture, and appliances, radios and television sets.⁴ Includes jewellery, watches, clocks, silverware, toys, sporting and wheeled goods, and tools and garden equipment.⁵ Beginning with the year 1955, the classification of the items electricity and gas (items 18 and 19 above) was changed from services to non-durable goods.⁶ Includes net expenditure abroad.

TABLE 48. Personal Expenditure on Consumer Goods and Services in Constant (1949) Dollars, 1954-59

Line No.		1954	1955	1956	1957	1958	1959
		millions of dollars					
1	Food	3,598	3,785	4,023	4,154	4,282	4,470
2	Tobacco and alcoholic beverages	1,049	1,109	1,198	1,265	1,336	1,377
3	Clothing and personal furnishings	1,662	1,744	1,855	1,905	1,951	2,020
4	Shelter	1,536	1,645	1,710	1,794	1,880	1,984
5	Household operation ^{1,2}	1,795	1,966	2,169	2,202	2,269	2,400
6	Transportation	1,541	1,817	1,928	1,927	2,034	2,103
7	Personal and medical care and death expenses	842	883	968	992	1,012	1,051
8	Miscellaneous	1,627	1,713	1,752	1,745	1,657	1,758
9	Grand total	13,650	14,662	15,603	15,984	16,421	17,163
10	Durable goods	1,724	2,066	2,209	2,127	2,158	2,259
11	Non-durable goods ^{1,2}	7,535	8,187	8,705	9,021	9,270	9,726
12	Services ^{1,2,3}	4,391	4,409	4,689	4,836	4,993	5,178

¹ Personal expenditure on electricity and gas in constant (1949) dollars were as follows:

	1955	1956	1957	1958	1959
	millions of dollars				
	224	251	279	300	344

² See footnote 5, Table 47.

³ Includes net expenditure abroad.

TABLE 49. Imputed Items Included in Gross National Expenditure, 1954-59¹

Line No.		1954	1955	1956	1957	1958	1959
		millions of dollars					
Expenditure on consumer goods and services:							
Food:							
1	Farm consumed farm produce	182	179	170	167	172	172
2	Other ²	91	95	103	104	101	103
Shelter:							
3	Imputed net residential rent and imputed residential capital consumption allowances	668	770	760	804	856	929
4	Imputed lodging, non-residential ³	29	29	33	36	38	39
5	Other ⁴	160	153	159	165	169	181
6	Total of imputed items in consumer expenditure	1,130	1,226	1,223	1,276	1,336	1,424
Government expenditure on goods and services:							
7	Imputed gross rent on government-owned buildings	153	168	181	194	207	220
8	Total of imputed items	1,283	1,394	1,406	1,470	1,543	1,644

¹ All these items are also included in the various components of Gross National Product.

² Includes food issued to members of the armed forces and to employees in lieu of wages.

³ Lodging in bunk houses, ships, hotels, etc., furnished to employees in lieu of wages.

⁴ Includes clothing issued to the armed forces, wood fuel cut and used on farms, and estimated services rendered by banks without specific charge.

TABLE 50. Analysis of Corporation Profits, 1954-59

Line No.		1954	1955	1956	1957	1958	1959
millions of dollars							
1	Corporation profits before taxes ¹	1,963	2,570	2,908	2,547	2,483	2,836
2	Add: Dividends paid to non-residents	327	395	437	480	447	490
3	Corporation profits including dividends paid to non-residents	2,290	2,965	3,345	3,027	2,930	3,326
4	Deduct: Corporation income tax liabilities ²	-1,082	-1,272	-1,413	-1,326	-1,280	-1,506
5	Excess of tax liabilities over collections	-94	163	40	-225	-53	69
6	Tax collections	1,176	1,109	1,373	1,551	1,333	1,437
7	Corporation profits after taxes	1,208	1,693	1,932	1,701	1,650	1,820
8	Deduct: Dividends paid to non-residents	-327	-395	-437	-480	-447	-490
9	Corporation profits retained in Canada	881	1,298	1,495	1,221	1,203	1,330
10	Deduct: Dividends paid to Canadian persons	-284	-307	-330	-315	-315	-333
11	Charitable contributions from corporations	-26	-29	-34	-36	-36	-40
12	Undistributed corporation profits	571	962	1,131	870	852	957

¹ Line 1 is identical with the total shown in Table 1 and represents corporation profits before taxes on a national concept basis. As dividends paid to non-residents—which must be excluded on a national concept basis—are really a distribution of profits, it is necessary to add them back to arrive at a figure of total profits as such—line 3. Lines 4 to 12 provide an analytical breakdown of line 3. For an industrial distribution of total profits (line 3) see Table 27.

² Includes elective tax on undistributed income of \$7 million in 1954 and \$8 million in 1955.

TABLE 51. Capital Consumption Allowances and Miscellaneous Valuation Adjustments by "Form of Organization", 1954-59

Line No.		1954	1955	1956	1957	1958	1959
millions of dollars							
1	Corporations	1,521	1,733	1,976	2,227	2,142	2,273
2	Individuals and unincorporated business	1,170	1,281	1,366	1,432	1,432	1,468
3	Government business enterprises	214	252	300	335	349	390
4	Capital consumption allowances and miscellaneous valuation adjustments ¹	2,905	3,266	3,642	3,994	3,923	4,131

¹ Including net bad debt allowances (charges less recoveries) as follows:

1954	1955	1956	1957	1958	1959
millions of dollars					
57	40	41	43	47	49

SECTION F
RECONCILIATION STATEMENTS

TABLE 52. Accrued Net Income of Farm Operators from Farm Production, 1954-59
Reconciliation Statement

Line No.		1954	1955	1956	1957	1958	1959
millions of dollars							
1	Net income of farm operators from farming operations¹	1,029	1,290	1,458	1,062	1,278	1,189
2	Deduct: Amounts included in investment income ²	-43	-45	-46	-46	-51	-55
3	Deduct: Transfer payments under prairie farm assistance act and payments to western grain producers ³	- 2	-33	- 5	- 2	-60	-22
4	Other adjustments ⁴	25	-12	23	-12	30	4
5	Equals: Net income received by farm operators from farm production	1,009	1,200	1,430	1,002	1,197	1,116
6	Adjustment on grain transactions ⁵	8	64	20	- 6	- 4	- 8
7	Accrued net income of farm operators from farm production⁶	1,017	1,264	1,450	996	1,193	1,108

¹ These figures are published by the Agriculture Division, Dominion Bureau of Statistics.

² This item includes corporation profits in agriculture and imputed net rent of owner-occupied houses.

³ These items are deducted since transfer payments are excluded from Net National Income at factor cost.

⁴ These adjustments consist of an estimate of net income of farm operators from farming operations in Newfoundland and an adjustment for the difference in the valuation of the physical change in inventories. The Agriculture Division values the change in the quantity of farm held grain at average annual prices, whereas the National Accounts estimates value this quantity change each quarter in terms of average quarterly prices.

⁵ Since the National Income measures earnings arising out of current production rather than receipts of income, it is appropriate to include in Table 1 income accruing to farm operators from farm production rather than income received. Accordingly, an adjustment has been made to take account of the accrued earnings of farm operators arising out of the operations of the Canadian Wheat Board.

⁶ See also line 5, Table 1.

TABLE 53. Federal Government Surplus or Deficit, 1954-59
Reconciliation of Federal Government Transactions Related to the National Accounts with
Public Accounts Data, 1954-59

Line No.		1954	1955	1956	1957	1958	1959
millions of dollars							
1	Surplus or deficit as per Public Accounts, 1953-54 to 1958-59 ¹	46	-152	- 33	258	- 38	- 609
2	Difference between fiscal and calendar year ²	-195	11	305	- 73	- 409	34
3	Extra-budgetary receipts, pension and social insurance funds ³	654	700	790	859	869	1,011
4	Excess of corporation tax accruals over collections	- 94	163	40	-225	- 53	69
5	Revenue items omitted	- 79	- 21	- 37	- 68	- 22	- 23
6	Extra-budgetary expenditures, pension and social insurance funds	-618	-663	-633	-787	-1,118	-1,052
7	Reserves, write-offs and similar items charged to expenditures	145	104	118	247	219	253
8	Shipment of previously produced military equipment to NATO (less expenditures of defence equipment replacement account)	5	- 2	- 22	- 32	- 188	- 36
9	Other adjustments	36	36	16	60	- 63	- 46
10	Surplus or deficit as per National Accounts	-100	176	544	239	- 803	- 399

¹ Source: Public Accounts of the Federal Government.

² It should be noted that the Public Accounts fiscal year figures include only three months of the calendar year in which the fiscal year ends. For example fiscal year 1956-57 includes only January to March 1957, the balance of the fiscal year being in the calendar year 1956. An adjustment is therefore necessary to the fiscal figures to exclude the nine months which apply to the calendar year 1956, and to include the nine months of the calendar year 1957 not covered by the 1956-57 fiscal year.

³ Includes the portion of the personal income tax, the corporation income tax and the sales tax allocated to the old age security fund.

TABLE 54. Business Gross Fixed Capital Formation, 1954-59

Reconciliation Statement

Line No.		1954	1955	1956	1957	1958	1959
		millions of dollars					
1	Total private and public investment in Canada ¹	5,721	6,244	8,034	8,717	8,364	8,411
2	Deduct: New residential construction by governments ^{2,3} ..	- 11	- 19	- 21	- 21	- 19	- 16
3	New non-residential construction by governments ³	-828	-924	-1,137	-1,251	-1,237	-1,447
4	New machinery and equipment outlays by governments ³	-103	- 91	- 102	- 110	- 133	- 137
5	Add: Unallocated adjustment ⁴	-	-	-	-	-	150
6	Business gross fixed capital formation	4,779	5,210	6,774	7,335	6,975	6,961

¹ As presented in the publication *Private and Public Investment in Canada, 1946-1957* and *Private and Public Investment, Outlook 1960*.

² Excluding residential construction under Veterans' Land Act, construction of veterans' rental housing by Central Mortgage and Housing Corporation and joint federal-provincial housing (Section 36, National Housing Act), which are included in line 6.

³ Included in "government fixed capital formation", line 4, Table 2.

⁴ This figure represents an upward revision to data published in *Public and Private Investment in Canada, Outlook 1960*, to take account of later available information.

TABLE 55. Exports and Imports of Goods and Services, 1954-59¹

Reconciliation Statement

Line No.		1954	1955	1956	1957 ²	1958	1959
		millions of dollars					
Exports of goods and services:							
1	Merchandise exports	3,929	4,332	4,837	4,909	4,890	5,152
2	Gold production available for export	155	155	150	147	160	147
3	Interest and dividends received from non-residents	147	160	142	149	166	170
4	Other receipts from services rendered to non-residents ..	1,289	1,425	1,492	1,420	1,349	1,351
5	Sub-total: "Current receipts" as per <i>Canadian Balance of International Payments</i>	5,520	6,072	6,621	6,625	6,565	6,820
6	Adjustments - Mutual aid to NATO countries	-284	-222	-157	-107	-142	- 63
7	Inheritances and immigrants' funds	- 89	- 86	- 99	-124	- 91	-100
8	Total "exports of goods and services" as per National Accounts ³	5,147	5,764	6,365	6,394	6,332	6,657
Imports of goods and services:							
9	Merchandise imports	3,916	4,543	5,565	5,488	5,060	5,538
10	Interest and dividends paid to non-residents	423	483	523	593	586	656
11	Other payments for services rendered by non-residents ...	1,613	1,744	1,899	1,944	2,004	2,086
12	Sub-total: "Current payments" as per <i>Canadian Balance of International Payments</i>	5,952	6,770	7,987	8,025	7,650	8,280
13	Adjustments - Mutual aid to NATO countries	-284	-222	-157	-107	-142	- 63
14	Inheritances and emigrants' funds	- 94	-105	-115	-122	-145	-155
15	Total "imports of goods and services" as per National Accounts	5,574	6,443	7,715	7,796	7,363	8,062

¹ Data sources are reports on the *Canadian Balance of International Payments* (Balance of Payments Section, Dominion Bureau of Statistics) and other information received from the Balance of Payments Section. Figures include mutual aid to NATO countries.

² The latest *Canadian Balance of International Payments* figures for current receipts and current payments have not yet been incorporated for the year 1957. The revised "Current receipts" of \$6,637 million and "Current payments" of \$8,061 million are published in detail in *The Canadian Balance of International Payments, 1958*.

³ See also Table 2.

APPENDIX

TABLE I. Population of Canada, by Provinces, 1954 - 59
Estimated as of June 1 for Intercensal Years

Line No.		1954	1955	1956	1957	1958	1959
		thousands					
1	Newfoundland	395	406	415	426	438	449
2	Prince Edward Island	101	100	99	99	100	102
3	Nova Scotia	673	683	695	702	710	716
4	New Brunswick	540	547	555	565	577	590
5	Quebec	4,388	4,517	4,628	4,758	4,884	4,999
6	Ontario	5,115	5,266	5,405	5,622	5,803	5,952
7	Manitoba	823	839	850	860	870	885
8	Saskatchewan	873	878	881	879	888	902
9	Alberta	1,057	1,091	1,123	1,160	1,201	1,243
10	British Columbia	1,295	1,342	1,399	1,487	1,544	1,570
11	Yukon	10	11	12	12	13	13
12	Northwest Territories	17	18	19	19	20	21
13	Canada	15,287	15,698	16,081	16,589	17,048	17,442

TABLE II. The Civilian Labour Force, 1954 - 59

Line No.		1954	1955	1956	1957	1958	1959
		thousands					
1	Civilian non-institutional population, 14 years of age and over	10,391	10,597	10,805	11,108	11,357	11,562
	Civilian labour force:						
	Persons with jobs:						
2	Non-agricultural	4,380	4,559	4,826	5,002	5,010	5,186
3	Agricultural	878	819	776	744	712	692
4	Total persons with jobs	5,258	5,378	5,602	5,746	5,722	5,878
5	Persons without jobs and seeking work	235	232	180	257	405	350
6	Total civilian labour force	5,493	5,610	5,782	6,003	6,127	6,228

DOMINION BUREAU OF STATISTICS

National Accounts Division

NATIONAL ACCOUNTS
INCOME AND EXPENDITURE
1960

Published by Authority of
The Honourable George Hees, Minister of Trade and Commerce

The data in this publication carry forward the statistical series given in the basic reference document *National Accounts, Income and Expenditure, 1926-1956*. Revisions to primary source data for the years 1957, 1958 and 1959 have been incorporated.

May, 1961.

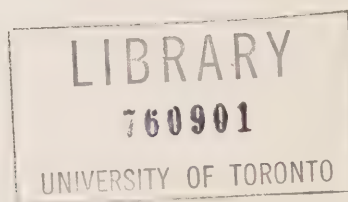


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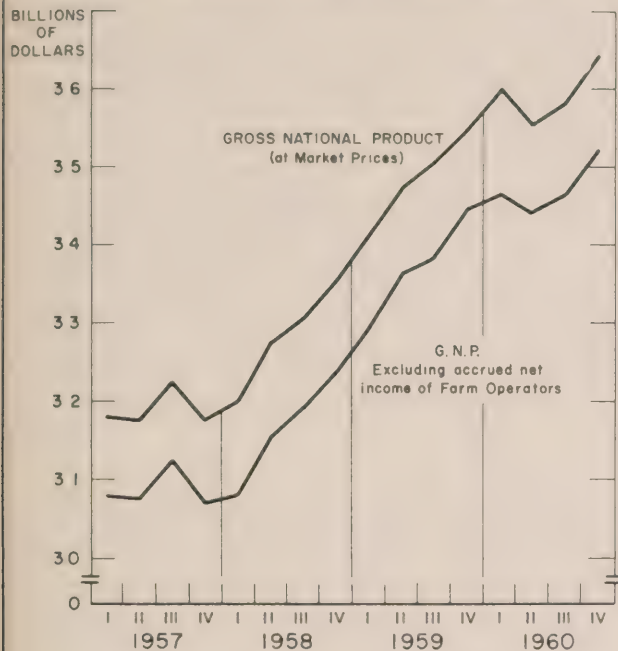
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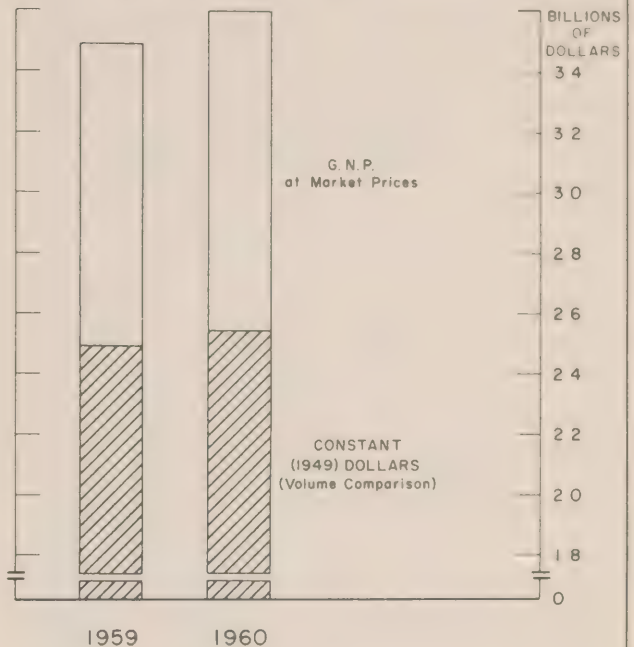
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THE ADVANCE IN GROSS NATIONAL PRODUCT WAS INTERRUPTED IN 1960, PRODUCTION DECLINED IN THE SECOND QUARTER OF THE YEAR

(SEASONALLY ADJUSTED AT ANNUAL RATES)

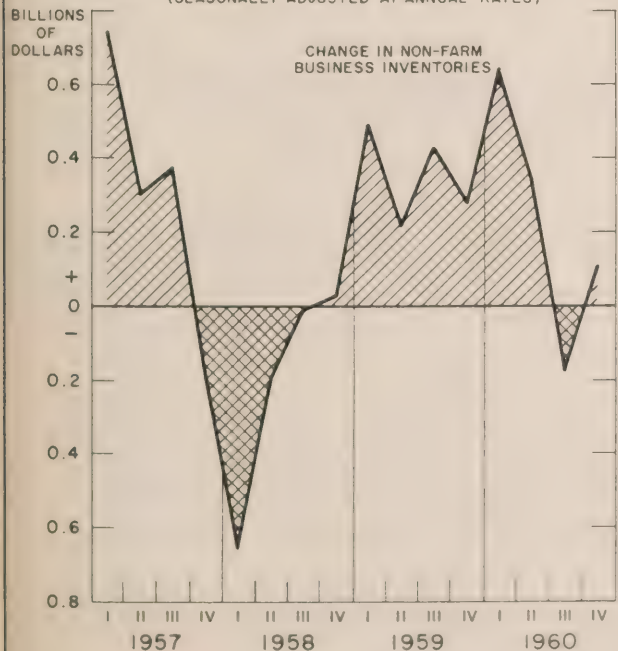


THE VALUE INCREASE FOR THE YEAR AS A WHOLE AMOUNTED TO 3 PER CENT, WITH THE VOLUME OF PRODUCTION HIGHER BY ABOUT 2 PER CENT



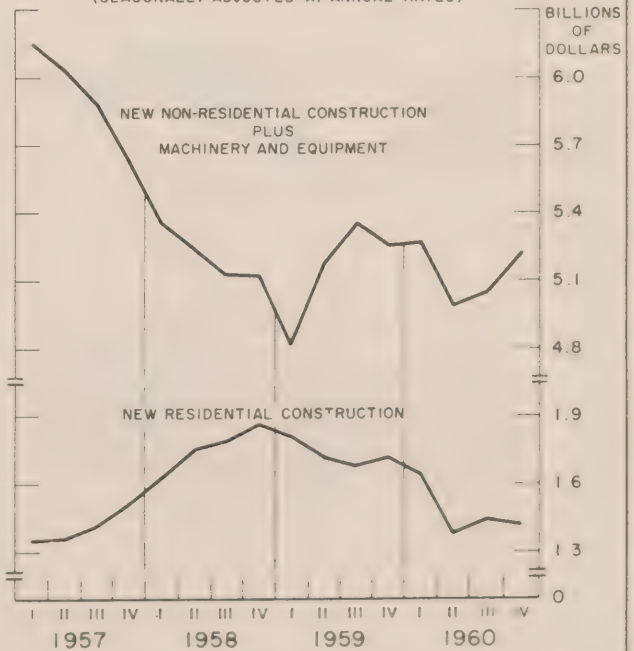
CUT-BACKS IN THE INVENTORY SECTOR WERE A MAJOR FACTOR CONTRIBUTING TO THE SLOW-DOWN IN ACTIVITY; BY THE THIRD QUARTER OF THE YEAR, FINAL DEMAND WAS BEING MET IN PART BY DRAWING UPON STOCKS ON HAND, BUT THE LIQUIDATION DID NOT CONTINUE INTO THE FOURTH QUARTER

(SEASONALLY ADJUSTED AT ANNUAL RATES)



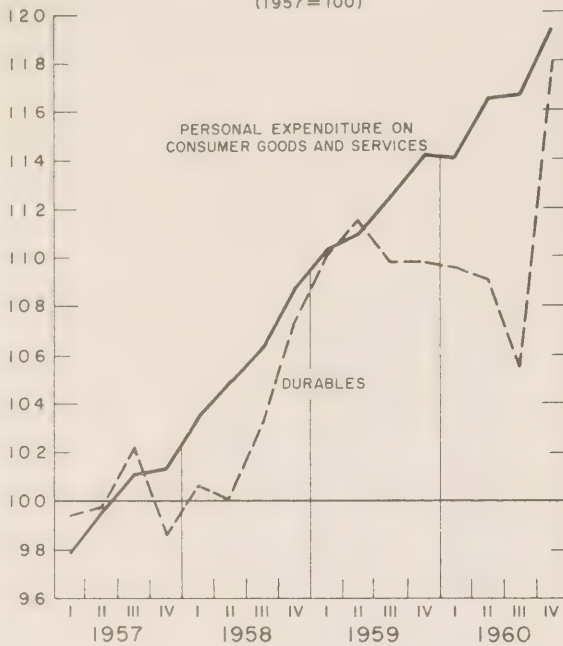
BUSINESS OUTLAYS FOR NEW PLANT AND EQUIPMENT WEAKENED IN THE LATTER PART OF 1959, BUT THE DECLINE WAS HALTED IN THE LAST HALF OF 1960. OUTLAYS FOR NEW HOUSING MOVED DOWNWARD DURING THE YEAR

(SEASONALLY ADJUSTED AT ANNUAL RATES)



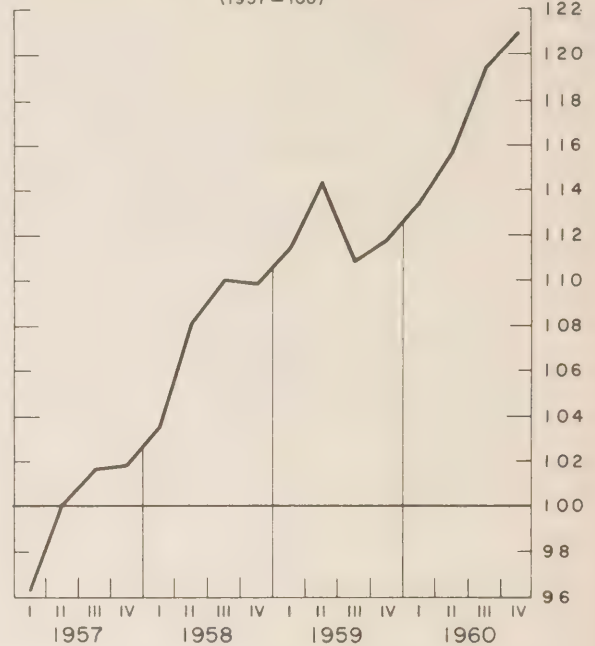
CONSUMER EXPENDITURE CONTINUED TO PROVIDE STRENGTH ON THE DEMAND SIDE, ALTHOUGH THE ADVANCE WAS UNEVEN; OUTLAYS FOR DURABLE GOODS CONTINUED WEAK UNTIL THE FINAL QUARTER OF THE YEAR

(1957 = 100)



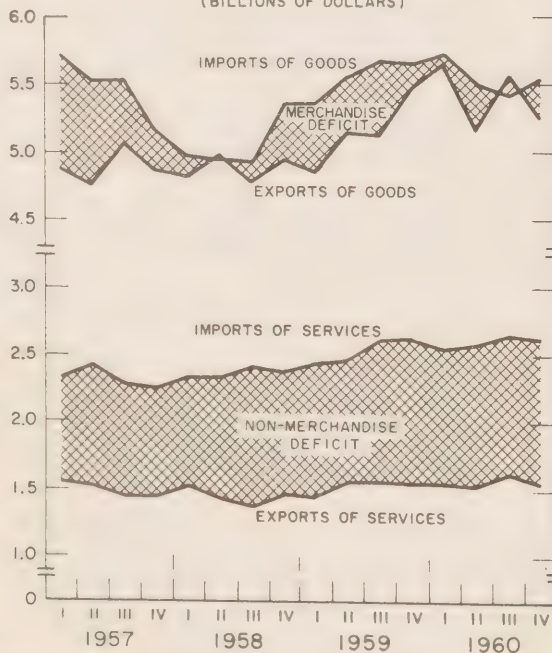
GOVERNMENT EXPENDITURE ON GOODS AND SERVICES MOVED UPWARD IN 1960, AND CONTRIBUTED AN IMPORTANT ADDITIONAL ELEMENT OF STRENGTH ON THE DEMAND SIDE

(1957 = 100)



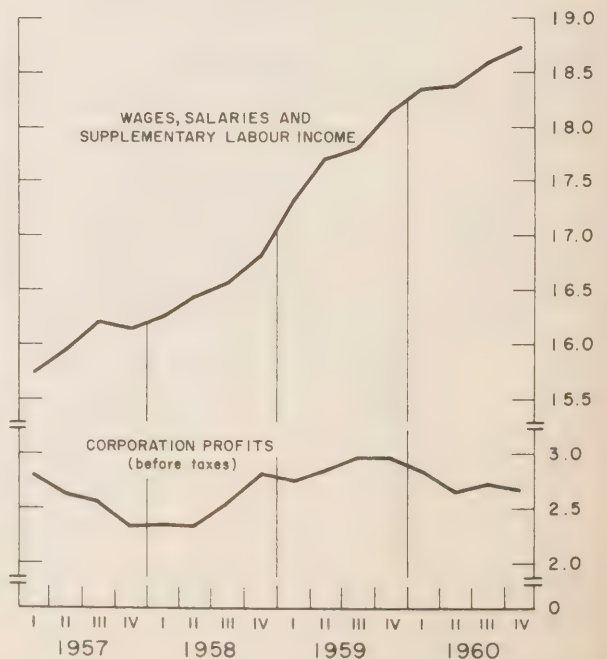
EXPORTS OF GOODS MOVED IRREGULARLY DURING THE YEAR, AND FOR 1960 AS A WHOLE AVERAGED 4 PER CENT ABOVE 1959, REFLECTING THE STRENGTH OF OVERSEAS DEMAND. IMPORTS WERE ONLY FRACTIONALLY ABOVE 1959 LEVELS. THE DEFICIT ON MERCHANDISE ACCOUNT WAS REDUCED, BUT THE DEFICIT ON SERVICES CONTINUED TO WIDEN

(BILLIONS OF DOLLARS)



THE ADVANCE IN LABOUR INCOME SLOWED IN 1960, AND CORPORATION PROFITS DECLINED

(BILLIONS OF DOLLARS)



(IN ALL CHARTS DATA ARE SEASONALLY ADJUSTED AT ANNUAL RATES)

INTRODUCTORY REVIEW

The year 1960 — Annual Review

The advance in Gross National Product was interrupted in 1960, as the level of economic activity eased in response to downward tendencies in several components of end-product demand. During the year, the pattern of developments was highlighted by a slackening in the growth of total final purchases in the first quarter and a decline in both final purchases and in the value of production in the second quarter. Although final demand recovered in the third quarter, the renewed strength was not fully transmitted to production since the increased requirements were met, in part, by cut-backs in the inventory sector. In the fourth quarter, while both final and inventory demand were once more exerting an expansionary influence on Gross National Product, the gains were somewhat modified by a decline in external demand for Canadian export products.

These conflicting movements within the year 1960 combined to yield a level of Gross National Product for the full year which averaged about 3 per cent above the level of the year 1959. It is estimated that the physical volume of output in 1960 was about 2 per cent above that of the preceding year,¹ with final product prices higher by around 1½ per cent.

¹ The figures include the value of the 1960 grain crop, which is estimated to be about 11 per cent above the year 1959.

The weakness in end-product demand during the year was centered in business outlays for new plant and equipment, housing construction, and consumer purchases of durable goods other than automobiles. Business outlays for plant and equipment failed to come up to the levels anticipated in the survey of investment intentions at the beginning of 1960, and for the year as a whole were slightly below 1959. Housing outlays were affected by a number of factors, among which were a sharp contraction in the lending activity of the chartered banks and Central Mortgage and Housing Corporation, and an apparent change in basic demand factors. Consumer purchases of durable goods, in turn, were affected by the lower levels of sales of major household appliances, home furnishings, and furniture, associated in part with conditions in the housing market. Cut-backs in the rate of inventory accumulation in the second quarter, and a shift to liquidation in the third quarter, were also among the factors tending to hold production in check.² The main support to the level of activity over the course of the year came from consumer expenditures for non-durable goods and for services; from government purchases of goods and services; and from exports to overseas countries, in particular the United Kingdom and other countries of Western Europe. A perspective of these developments in terms of annual averages is given in the following table.

² The level of demand was also affected in the first quarter by a small but unusual drop in consumer spending for non-durable goods, and by a sharp decline in exports of goods and services in the second quarter.

Changes in Components of Gross National Expenditure, 1959 to 1960

	Year 1959	Year 1960	Change	Per cent change
billions of dollars				
Fixed capital formation plus inventories:				
Residential construction	1.7	1.5	-0.3	-14.9
Non-residential construction	2.6	2.6	—	- 0.8
Machinery and equipment	2.6	2.6	—	- 0.1
Inventories	0.3	0.3	—	—
(Non-farm business inventories)	(0.4)	(0.2)	(-0.1)	—
Sub-totals	7.2	6.9	-0.3	- 3.7
Other purchases:				
Consumer expenditure	22.5	23.4	0.9	4.1
Government expenditure	6.4	6.7	0.3	4.7
Exports	6.7	7.0	0.3	4.2
Sub-totals	35.6	37.1	1.5	4.2
Total final purchases plus inventory investment (Total supply) ..	42.8	44.0	1.2	2.9
Less imports	-8.1	-8.1	—	0.4
Gross National Expenditure (Total production)	34.9	36.0	1.1	3.2

Note: Figures will not add by +0.1 or -0.1 due to rounding. Per cent changes are based on unrounded data.

The slackening in economic activity during 1960 was also reflected in changes in the direction and magnitude of the income flows. The advance in labour income during the year was little more than half as large as that achieved in 1959, and the earnings of non-farm unincorporated business enterprises declined. While total personal income was higher by 4 per cent, this compares with a gain of 6 per cent in 1959. Earnings of corporations in 1960 fell below the 1959 level by about 6 per cent,

compared with a very substantial increase in the preceding twelve-month period. At the same time, the tax revenues of governments were adversely affected by the reduced flow of income to the business sector, and by the smaller rate of advance in personal incomes, with the result that total government revenues rose by a narrower margin than in 1959. The following table shows percentage changes in the major income components for the periods 1958-59 and 1959-60.

Changes in Major Income Components

	Per cent change	
	1958 to 1959	1959 to 1960
Wages, salaries, and supplementary labour income	7.5	4.2
Transfer payments	4.0	13.0
Personal income	6.5	4.3
Corporation profits	15.4	-5.9
Rents, interest, and miscellaneous investment income	7.2	3.7
Net income of non-farm unincorporated business	4.4	-5.1
Accrued net income of farm operators from farm production	-5.4	6.6
National income	6.9	2.6
Selected Government Revenues (All levels of government)		
Direct personal taxes	16.5	13.2
Corporation taxes	18.5	-6.0
Indirect taxes	10.3	4.1

Production and Employment

Indicators of the total physical volume of output in 1960 show an advance of about 2 per cent. While both the goods and service-producing industries shared in this gain, the major contribution came from the service-producing industries. Output was up significantly in all the service components but movements in the goods-producing group diverged quite widely.

Among the primary industries, agricultural output was moderately higher in 1960, reflecting a substantially larger crop of grain of better quality, accompanied by a decline in the production of livestock and poultry, and little change in the volume of production of other farm products. While output in forestry recorded a gain of 11 per cent over 1959 (which was a strike-affected year), it remained below the record achieved in 1956.

A 1 per cent increase in mining output was the outcome of fairly small and largely offsetting movements in the four components of this industry. Output in metal mining was lower by 2 per cent, reflecting a pronounced drop in the production of uranium and a substantial decline in the output of iron ore, only partly offset by a sharp expansion in the production of nickel, copper and lead. Output in quarrying, which is closely tied to the demands of the construction industry, was down by 5 per cent. All three components, coal, petroleum and natural gas, contributed to the 5 per cent increase in output of the fuels group; the gain in coal and in petroleum was moderate but a large increase (17 per cent) occurred in output of natural gas. A 2 per cent

increase in the output of the non-metals group was accounted for by expanded output of asbestos.

For the third year in succession, the volume of output declined in the construction industry. The drop of nearly 5½ per cent in 1960 is associated with an estimated 17 per cent fall in the volume of residential construction and a fractional decline in the volume of non-residential construction.

A 2.3 per cent increase in the output of non-durable goods combined with a 1.7 per cent decline in durables kept manufacturing production in 1960 fractionally larger than in 1959. Most of the non-durable goods industries recorded gains, but for the most part they were small, with the important exception of chemicals, where output rose 12 per cent. A substantial decline in output occurred in rubber products and leather products, while production declined moderately in the textile industry.

Only two of the durable goods industries expanded production in 1960. The substantial (8 per cent) advance in the output of non-ferrous metal products reflected the buoyancy of overseas export demand. Production of transportation equipment was slightly higher, reflecting increased output of motor vehicles which more than offset lower production of other equipment. In the woods products industry (strike-affected in 1959), production was only slightly lower, despite weakness in the demand from the construction industry in Canada and the United States. Production of electrical apparatus and supplies fell by 2 per cent and the manufacture of both non-metallic minerals, and iron and steel products recorded drops of 6 per cent.

The volume of activity in trade was up about 1½ per cent in 1960, with wholesale and retail trade showing the same rates of increase. Within retail trade movements were mixed; food chains continued their steady expansion, raising the volume of their activity by 5 per cent; gains in other trades were for the most part small. One of the more important trades recording less activity in 1960 was lumber and building material dealers which were off 10 per cent.

Output of the utilities continued to make relatively large gains in 1960. The 11 per cent increase reflects an advance of 9 per cent in the production of electricity and another major increase in the distribution of natural gas.

The volume of traffic handled by the transportation industry as a whole rose nearly 2 per cent, in spite of a 3 per cent decline in railways and in bus systems. Railway revenue carloadings show a lower volume for all major commodities except pulpwood, and ores and concentrates; the largest declines were in livestock, iron ore, building materials other than lumber and timber, and autos, trucks and parts. The other components of the transportation industry, trucking, oil pipelines, shipping, and air transport recorded gains ranging from 3 per cent in trucking to 13 per cent in air transport.

The volume of output in the communications industry continued to rise and was up 5 per cent in 1960. Likewise, in the other service-producing industries, there was a further expansion in activity, amounting to 3 per cent in financial services and of about 2 per cent in government service and in other services as a group.

The moderate increase in the volume of the Nation's production in 1960 was accompanied by a roughly equivalent gain in employment, which was up 1.7 per cent in total.

An outstanding feature of the labour market in 1960 was the continued strength of demand in those areas of employment notably trade and services, where women constitute a large proportion of the labour force, as contrasted with the weakness of demand in those areas, notably durable goods manufacturing and construction, where the work force is predominantly male. The consequence of this pattern in the demand for labour was that there was only a fractional gain in the number of men employed in 1960, in contrast to a 6 per cent increase in the number of employed women. The accompanying table shows the distribution of employment in 1959 and 1960, by industry, and by male and female employment.

Employment by Industry — All Status Groups

	Average year 1959	Average year 1960	Per cent change male	Per cent change female	Per cent change total
'000's of persons					
Agriculture	692	675	-3.0	4.2	-2.5
Other primary industry ¹	197	207	5.2	—	5.1
Manufacturing	1,494	1,470	-2.1	0.3	-1.6
Construction	442	418	-5.3	-8.3	-5.4
Transportation and other utilities	520	515	-0.7	-2.7	-1.0
Trade	946	981	3.2	4.7	3.7
Finance, insurance and real estate	216	226	1.7	8.1	4.6
Government service	349	373	6.3	8.8	6.9
Other service ²	999	1,090	6.8	10.8	9.1
Total employed	5,855	5,955	0.2	6.1	1.7
Total employed ex. agriculture	5,163	5,280	0.8	6.1	2.3

¹ Includes forestry, fishing and trapping, mining, quarrying and oil wells.

² Includes business, personal, community and public, and recreational services.

The increase in employment in 1960 of 1.7 per cent fell somewhat short of the growth of the labour force which amounted to 2.8 per cent. Unemployment as a percentage of the labour force rose from an average of 6 per cent in 1959, to 7 per cent in 1960. Participation rates for the population 14 years of age and over rose from 53.9 per cent to 54.3 per cent, reflecting a slight decline in the male participation rate and a considerable increase in the female participation rate. This development was associated with the relatively favourable opportunities in the market for women workers.

Value, Volume, and Price Comparisons

The volume increase in Gross National Expenditure between 1959 and 1960 of 2 per cent compares with increases of 3 per cent between 1958 and 1959 and 1 per cent between 1957 and 1958. The average annual rate of growth for the post-war period is estimated to be about 4 per cent per year. The value, volume and price components of each of the main expenditure categories are shown in the following table.

Per cent Changes, Value, Volume and Price

	Year 1960 Year 1959			Year 1959 Year 1958		
	Value	Volume	Laspeyres ¹ Price	Value	Volume	Laspeyres Price
Personal expenditure	4.1	2.9	1.2	5.8	4.3	1.3
Goods	3.4	2.9	0.6	4.6	4.0	0.5
Non-durables	4.1	3.4	0.8	4.0	3.7	0.3
Durables	0.3	0.7	-0.4	7.2	5.4	1.7
Services and net expenditure abroad	5.3	2.8	2.3	7.9	4.9	2.8
Government expenditure	4.7	0.9	3.5	3.9	0.6	3.0
Business gross fixed capital formation	- 4.1	- 6.2	2.2	-1.2	- 3.5	2.9
New residential construction	-14.9	-17.0	2.7	-1.6	- 5.1	3.7
New non-residential construction	- 0.9	- 3.1	2.4	-7.9	-10.1	2.9
New machinery and equipment	- 0.1	- 1.8	1.7	7.1	5.2	2.4
Exports of goods and services	4.2	2.7	0.7	5.3	2.1	1.8
Imports of goods and services	0.4	- 1.2	1.7	9.3	10.2	-0.2
Gross National Expenditure	3.2	2.1	1.7 ²	6.1	3.2	2.4

¹ The price comparisons shown above are based on a set of fixed weight price indexes (1955=100), and not upon the implicit price deflators which can be derived by dividing the value series by the volume series. The implicit deflators are weighted by changes in the expenditure pattern over time, and do not permit accurate measurements of price change. A specially constructed set of fixed weight price indexes has therefore been used for purposes of depicting price changes in the above table.

² The implicit price index of G.N.E. in 1960 shows a price increase of 1.1 per cent over 1959. Most of the difference between the implicit index and that shown above is explained by a large increase in the weight of farm and GICC inventories in 1960. A set of low price relatives is associated with these inventories, and the increase in their weight in 1960 has the effect of reducing the level of the total implicit price index.

Final product prices drifted upward slightly between 1959 and 1960, with the aggregate increase being about 1½ per cent. This is the smallest year-over-year price increase for any year since 1955, when the increase was 1.3 per cent, and compares with an average annual price rise of 2.5 per cent for the years 1956 to 1960. The increase in the price of consumer goods and services was

small, and was virtually unchanged from that which occurred between 1958 and 1959. The prices of both capital goods and exports showed a more moderate advance in the current period than between 1958 and 1959. Prices of imported goods, however, which declined fractionally in 1959, rose somewhat in 1960, reflecting, in large part, a lower rate of exchange on the Canadian dollar.

COMPONENTS OF GROSS NATIONAL EXPENDITURE

Personal Expenditure on Consumer Goods and Services

While consumer spending rose somewhat more than consumer disposable income in 1960, it failed to match the gains of the two preceding years. The increase in 1960 amounted to 4 per cent, which compares with nearly 6 per cent in 1958 and 1959. Whereas in these two years, and in 1959 particularly, the market for consumer durables expanded, in 1960 there were important areas of weakness and spending on durables showed only a fractional gain. At the same time, expenditure on non-durable goods rose about 4 per cent, the same rate of increase as in 1959, while expenditure on services rose by more than 5 per cent, compared with a gain of nearly 8 per cent in the preceding year.

Of the increase in total consumer spending in 1960, somewhat more than 1 per cent is accounted for by higher prices in the consumer sector, the

smallest rate of increase in recent years. Services continued to account for the major part of the advance in consumer prices; prices of non-durables were somewhat higher while prices of durables edged downward. The approximately 3 per cent rise in real consumption represents a gain of about 1 per cent in per capita terms.

Consumer purchases of most major categories of non-durables rose in 1960, food purchases by 3 per cent, clothing by 2 per cent, and alcohol and tobacco by 3½ and 5½ per cent respectively. The increase in expenditure on non-durables as a group represented a gain of about 1 per cent in real per capita consumption.

All components of services contributed to the 5½ per cent advance in expenditure. The sharpest rate of increase was for hospital and medical care, which rose by 9 per cent.

Consumer Expenditure

	Per cent change	
	1958 to 1959	1959 to 1960
Food.....	4.5	3.0
Clothing.....	4.0	2.2
Other.....	3.4	6.5
Total non-durables.....	4.0	4.1
Appliances and radios.....	3.7	-4.1
Home furnishings and furniture.....	5.1	-2.9
Autos (New and used).....	9.3	3.5
Other.....	9.2	0.7
Total durable goods.....	7.3	0.3
Total all goods.....	4.6	3.4
Total services.....	7.9	5.3
Total Personal Expenditure (Goods and services).....	5.8	4.1

Among the durables, an increase of 3½ per cent in purchases of new and used cars was almost offset by lower expenditures for virtually all other durables. Statistics of factory shipments of household durables were in general either unchanged or considerably lower. For example, shipments of washers were down 10 per cent, of electric stoves 12 per cent, of radios 10 per cent and of television sets 16 per cent. On the other hand, there was an increase of over 60 per cent in shipments of home freezers. The widespread weakness in the demand for household durables is probably related in part to the much reduced level of activity in housing.

A 7 per cent increase in the sale of new passenger cars to persons in 1960 compares with one of 10 per cent in the preceding year. As in 1959, the rise in sales to persons of British and European cars was large relative to the increase in sales of North American cars, although the disparity was less marked in 1960. Sales to persons of British and European cars were up nearly 20 per cent and sales of North American cars less than 5 per cent.

With consumer outlays higher by 4 per cent in 1960 and disposable income showing a smaller gain of 3.5 per cent, the rate of personal saving fell. In 1959, personal saving amounted to 7.2 per cent of disposable income, in 1960, to 6.7 per cent.

Business Gross Fixed Capital Formation

Business gross fixed capital formation is estimated at \$6.6 billion in 1960, some 4 per cent lower than in 1959. The decline was centred in residential construction. Expenditures on plant and equipment were close to the level of the previous year, with the construction component slightly lower and the machinery and equipment component unchanged.

The changes in business investment outlays (excluding housing) by major industry groups were for the most part fairly small. Expenditures were higher in the three primary industry groups of mining, forestry and agriculture. In manufacturing, outlays rose by 4 per cent and in institutional services, by over 7 per cent. Capital outlays declined in the construction industry, in trade, in finance, insurance and real estate, as well as in commercial services. However, the major decrease in 1960, amounting to nearly 5 per cent, occurred in the large investment programme being carried on by the utilities.

Within manufacturing industries, changes in capital outlays were mixed and to some extent offsetting. The manufacturing industries reporting substantially larger capital outlays in 1960 were iron and steel, paper products and chemical products. On the other hand, capital expenditures in transportation equipment and in non-metallic mineral products were considerably lower than in 1959.

Total Mortgage Loans Approved
(Dwelling units)

	1959	1960	Per cent change
N.H.A. mortgage loans:			
Chartered banks.....	14,844	89	-99.4
Life, trust, loan, etc.....	11,841	21,724	83.5
C.M.H.C. loans.....	34,241	15,932	-53.5
Sub-totals.....	60,926	37,745	-38.0
Conventional mortgage loans:			
All lending institutions.....	46,882	42,164	-10.1
Totals.....	107,808	79,909	-25.9

Most of the utilities carried out smaller capital programmes in 1960 than in 1959. Among the major utilities, much the largest reduction took place in outlays by the railway group. The outlays of electric power utilities were considerably lower than in 1959 and much below the extremely high levels reached in several previous years. Among the major utilities, expenditures by the telephone industry were considerably higher, as were those of "other utilities" (a miscellaneous group which includes air transport, warehousing, oil and gas pipelines and toll highways and bridges); this increase is attributable to higher expenditures on aircraft and on the construction of gas and oil pipelines.

Expenditures on residential construction in 1960 fell to \$1,476 million, a drop of 15 per cent from the level of 1959. While housing starts made a marked improvement in the second half of the year, at about 109,000 units for the year as a whole, they were almost 23 per cent lower than in 1959 and the lowest since 1953. The decline in starts mainly reflected the sharp contraction in direct lending by the chartered banks and by Central Mortgage and Housing Corporation, offset to some extent by the expansion in lending activity by the life, loan and trust companies under the National Housing Act. (The chartered banks had virtually withdrawn from the mortgage market). Basic demand for housing may also have been affected by lower levels of family formation in recent years. With a substantial carry-

over of uncompleted houses at the beginning of the year, completions in 1960 fell only 15 per cent.

The improvement in housing starts in the course of 1960 is attributable to a number of factors. During the course of the year Central Mortgage and Housing Corporation began to accept applications for loans and steps were taken to remove or relax restrictions on direct lending. Moreover, as credit conditions eased, mortgage lending became more attractive to approved lenders and, as mentioned earlier, the life, loan and trust companies began to lend in volume.

Total Non-Farm Business Inventories

The build-up of goods in inventory in 1960 continued at a rate very little changed from the previous year, in comparison with the large-scale swings in the rates of change which occurred between 1957-58 and 1958-59. However, this annual comparison conceals the important impact which shorter run changes in business inventories had on production during 1960. As the rate of overall economic activity weakened early in the year, the pronounced rate of inventory accumulation evident in the first quarter fell sharply in the second quarter, and by the third quarter of 1960 some liquidation of stocks was taking place. During the final three months of the year, however, developments in the inventory sector were once more placing new demands on production, and a limited build-up of stocks occurred.

	1957	1958	1959	Quarters (Seasonally adjusted and annual rates)				1960
				(1)	(2)	(3)	(4)	
				millions of dollars				
Manufacturing	140	-146	118	304	216	-188	- 68	66
Wholesale	71	- 53	85	88	36	-100	36	15
Retail	27	10	125	248	112	220	116	174
Other	67	- 18	23	8	- 28	-108	24	- 26
Totals	305	-207	351	648	336	-176	108	229

Manufacturers' Stocks

The data suggest that some of the fairly heavy build-up of stocks in manufacturers' hands in the first half of the year was involuntary, occurring against a background of falling shipments and a rapidly contracting backlog of unfilled orders. Although stocks at all levels of fabrication increased, the accumulation was most marked in finished goods, suggesting that cut-backs in production were not sufficient to offset falling demand. The accumulation in the first two quarters of the year was widespread, although in the second quarter it was tempered by a substantial drawing down of stocks in the tobacco and paper industries.

The second half of the year was marked by a general lowering in the level of manufacturers' stocks. As shipments began to rise there was a

working down of the level of raw materials and goods in process. Stocks of finished goods, after eight months of uninterrupted increase, finally levelled off and in the last two months of the year contracted; in spite of this, in certain durable goods industries the ratio of finished goods to shipments remained at a high level in comparison with past periods.

In contrast to the slow-down in the rate of liquidation in overall manufacturing, the rate of liquidation in durable goods increased between the third and fourth quarters. The primary cause of this was the heavy drawing down of stocks in the iron and steel industry, supported by continued liquidation in both the transportation and electrical equipment industries. The impact of these depletions was to some extent offset by an increased rate of accumulation in non-ferrous metal products.

Inventory movements of non-durables exerted a moderating influence on the pace of liquidation of total manufacturers' stocks, as an irregularly high build-up of stocks in the tobacco industry and some additions to food and beverage stocks took place. The increase in the tobacco industry appears to be due to an earlier than normal processing of the unusually large crop in 1960.

Traders' Stocks

The build-up in retailers' stocks which has now been under way since the early part of 1958, continued at an increased rate in 1960, although the rate of increase slackened noticeably in the second and fourth quarters. The dominating features of the year were: (1) the steady increase of stocks in motor vehicle dealers' hands until the fourth quarter, at which time a marked increase in sales caused a small drop in the level of stocks; (2) the accumulation of food stocks, which was heavy in the first and last quarters; and (3) the "swing" in clothing stocks, which increased in the first and third quarters, and were drawn down heavily in the second and fourth. The broad movements in retail stocks in 1960 conform closely to the overall pattern of changes in consumer spending. Consumer spending fell slightly in the first quarter and increased only fractionally in the third quarter, at which time retail stocks rose sharply; in the second and fourth quarters, when consumer spending advanced strongly, retail stocks rose at a more modest rate.

Stocks in the hands of wholesalers, after increasing in the first two quarters, fell in the third quarter in line with the general lowering which took place in manufacturers' stocks. The liquidation was widespread and in a number of trades continued into the fourth quarter; however, it was offset in part in the fourth quarter by the sharp increases in

stocks of industrial machinery and equipment, and hardware and other furnishings, both of which may have reflected the upturn in fixed investment in machinery and equipment and the improved outlook for building, particularly residential construction.

Exports and Imports of Goods and Services

The dominant feature of the international trading environment in 1960 was the vigorous expansion in the economies of a number of industrialized overseas countries and the hesitant behaviour of the North American economy. In this situation, Canadian exports of goods and services rose to \$7.0 billion, a gain of 4.2 per cent over 1959, with the bulk of the increase accounted for by the merchandise items. At the same time, the demand for imports was on a declining trend throughout most of the year and for 1960 as a whole merchandise imports showed little change from 1959. The outflow of payments on service account, however, continued to rise, but more moderately than in earlier years. The consequence of these trends was a contraction in the deficit on Canada's current account (on the National Accounts basis), from about \$1.4 billion in 1959 to \$1.2 billion in 1960.

The strong demand for Canadian export products originating in the countries of Western Europe, the United Kingdom, and in some other overseas countries, notably Japan and Australia, raised exports to overseas destinations by 20 per cent. This increased strength of demand became evident in the latter part of 1959 and persisted throughout 1960. By contrast, exports to the United States were about 5 per cent lower for the year as a whole, and showed a declining trend within the year. The abrupt change in the direction of export trade within a rising total in the year 1960 is apparent in the accompanying table.

Domestic Exports

Leading commodities	Per cent change				
	1Q 1960 1Q 1959	2Q 1960 2Q 1959	3Q 1960 3Q 1959	4Q 1960 4Q 1959	Year 1960 Year 1959
Newsprint paper	16.9	- 1.1	5.0	2.3	4.9
Wheat	- 0.9	-30.6	3.6	4.2	- 7.1
Lumber and timber	18.3	- 4.5	12.4	5.7	7.0
Wood pulp	9.8	1.3	2.3	4.9	4.5
Uranium ore	7.0	-21.7	-19.8	-26.0	- 15.5
Aluminum and products	75.6	9.0	- 2.6	3.0	15.9
Nickel	88.1	- 4.0	12.9	-11.1	13.9
Copper and products	134.5	20.4	42.5	- 5.8	34.8
Fish and fishery products	- 13.8	- 6.0	2.1	-10.2	- 6.6
Farm machinery and implements	- 16.2	-29.8	-16.7	-41.8	- 25.5
Total domestic exports	22.9	- 2.9	7.5	- 3.3	4.9
Leading countries					
United States	18.3	-10.1	- 4.7	-16.7	- 4.8
United Kingdom	29.3	13.6	19.4	7.4	16.5
European common market countries	36.8	19.7	50.5	44.8	38.9
Japan	61.0	2.6	26.7	26.2	27.4
Other	22.7	1.5	25.4	12.7	14.8
Total domestic exports	22.9	- 2.9	7.5	- 3.3	4.9

The largest part of the increased demand was for major export staples of primary and semi-processed materials, but there were also gains in some manufactured goods, particularly in the United Kingdom where restrictions on many imports had been removed. Some of the largest gains occurred in such metals as aluminum, copper, nickel, zinc, primary steel and rolling mill products, and in asbestos and petroleum. Other leading exports such as pulp and paper, lumber, and chemicals also rose, but iron ore showed little change. Textiles and non-farm machinery are among the manufactured goods making impressive gains. By contrast, agricultural exports dropped, including wheat, other grains and flour, and cattle and dairy products. Shipments of fish, farm implements and uranium were also lower. The change in the commodity composition of exports is shown in the accompanying table.

While total receipts from services rose moderately in 1960, the individual items in the invisible account showed mixed movements. Receipts from tourist trade rose considerably and there was some increase in gold available for export. However, receipts from freight and shipping were somewhat lower, as were receipts from interest and dividends. The decline in the latter largely reflects lower dividends from foreign subsidiaries of certain Canadian manufacturing companies.

With no expansion in outlays for new plant and equipment in 1960, and a drop in the rate of investment in business inventories, commodity imports eased a little, declining by about one half of one per cent. The relative stability in the total was accompanied by stability in most of the major groups. Increases were generally small and confined to comparatively few items, some of which were affected by special circumstances. Among the increases were such varied items as vegetables, cotton and textiles, iron ore, crude petroleum, automobiles and aircraft. Reductions were more numerous and often small, although the drop in petroleum products, tractors, and agricultural implements was comparatively large. Imports of other kinds of equipment remained high.

Payments for services continued to rise in 1960 and were about 2 per cent higher than in the previous year. Virtually all the increase was in two items of the account, tourist expenditures, and miscellaneous services. Payments of interest and dividends in total remained about the same. The large net sales of provincial, municipal and corporation bonds in 1959 and the first half of 1960 raised significantly the level of interest payments. On the other hand, dividend payments declined. This decline, which was concentrated in the closing quarter of the year, reflected smaller remittances by a number of large Canadian companies to their non-resident parents.

The terms of trade deteriorated a little in 1960, as export prices were only fractionally higher and import prices rose about 1½ per cent.

The Government Sector

Government expenditure on goods and services in 1960 is estimated at \$6.7 billion, 5 per cent higher than in 1959. All of this increase in outlays is attributable to the junior governments; Federal Government expenditures were moderately lower. The major part of the 13 per cent advance in provincial government expenditures represented higher outlays on highways, although a variety of other provincial activities in the fields of public works, development, health and education also contributed. Municipal outlays likewise showed a substantial gain, estimated at 10 per cent, and attributable to increased wages and salaries and higher capital outlays.

While Federal defence expenditures were almost unchanged, outlays for other purposes were substantially lower. This decrease reflects, among other things, a lower level of capital investment, a liquidation of stocks held by the Agricultural Stabilization Board and lower out-payments from the Colombo Plan Fund.

Transfer payments from governments to persons in 1960 were higher than in 1959 by 13 per cent. A large part of the 11 per cent advance in Federal transfer payments was accounted for by higher unemployment insurance payments (+\$75 million), reflecting not only an increase in unemployment levels, but also amendments to the Unemployment Insurance Act, introduced in the course of 1959, which extended the duration of benefits and increased rates of benefit for some classes of insured persons. There was also a considerable increase in payments to Western grain producers (+\$38 million) and to universities (+\$29 million). Old age security payments and family allowances continued to rise by amounts of about \$15 million each.

At the provincial level, transfer payments also showed a sharp advance in 1960, amounting to 18 per cent over the previous year. Among the contributing factors here were higher payments for direct relief, increases in payments to disabled persons and old age and blind pensioners, and higher grants to hospitals, universities and charitable organizations.

These changes on the expenditure side of the government accounts, together with higher interest payments on the public debt and increased subsidies, brought about an increase in total net government outlays of about 8 per cent. At the same time, government revenues rose by 5 per cent reflecting increases in personal direct taxes (associated with higher rates effective for the whole year), and increases in indirect taxes from higher excise taxes at the Federal level and from increased real property taxes at the municipal level. Investment income and employer and employee contributions to social insurance and government pension funds also increased substantially. However, a substantial drop occurred in corporation taxes and there was a small decline in custom import duties. With total govern-

Government Expenditure and Revenue

	1959	1960	Per cent change
	billions of dollars		
Government expenditure:			
Goods and services	6.4	6.7	4.7
Transfer payments to persons	2.8	3.1	13.0
Interest on public debt	0.9	1.0	11.1
Subsidies	0.2	0.2	18.2
Totals¹	10.3	11.1	7.7
Government revenue:			
Direct taxes — Persons	2.1	2.4	13.2
Direct taxes — Corporations	1.5	1.4	- 6.0
Withholding taxes	0.1	0.1	6.9
Indirect taxes	4.4	4.6	4.1
Investment income	1.0	1.1	6.7
Employer—employee contributions	0.6	0.7	13.9
Totals¹	9.8	10.3	5.4
Deficit	0.5	0.8	50.9

¹ Excludes inter-governmental transfers.

Note: Figures will not add by +.1 or -.1 due to rounding. Percentage changes are based on unrounded data.

ment revenues higher by 5 per cent, and expenditures higher by 8 per cent, the overall deficit on government transactions (on the National Accounts basis) widened to \$0.8 billion. In the final quarter of the

year, it is estimated that the deficit for all governments combined was running at a seasonally adjusted annual rate in excess of \$1.0 billion.

COMPONENTS OF GROSS NATIONAL PRODUCT

Labour Income

Labour income continued to rise in 1960, but at a significantly lower rate than in the preceding year. The gain of 4 per cent contrasts with one of almost 8 per cent in 1959. Associated with this advance in income in 1960 was a nearly 2½ per cent increase in the number of employed paid workers and higher average hourly earnings in many industries.

Most of the major industries shared in the advance in total labour income in 1960. The important exceptions are construction, mining and transportation where income was either unchanged or slightly lower; in all these industries the level of employment declined significantly in 1960.

The largest gain in labour income (13 per cent) was recorded in forestry, but about two-thirds of this is attributable to the sharp temporary drop in income in 1959 during the industrial dispute in the woods industry in British Columbia. As in the recent past, the gains in the service industries were relatively large; the increase in services other than government was 10 per cent and in government service 7 per cent. In public utilities, communications, trade and financial services the advances in labour income ranged from about 3½ to about 5½ per

cent. In general, these gains continue to be associated with increased employment in these industries.

Despite a small decline in employment in manufacturing and some reduction in hours of work of hourly rated employees, labour income in manufacturing in 1960 was up from 1959 by about 2 per cent, as average hourly earnings continued to rise. Most of the loss of employment was concentrated in the durable goods group where earnings on the average are substantially higher than in the non-durable goods group. Thus the distribution of manufacturing employment in 1960 compared with 1959 was among the factors dampening down the rise in income.

Corporate Profits and Other Investment Income

Reflecting the partially offsetting influences present in the economy in 1960, corporate profits fell by about 6 per cent, following a considerable advance in the more expansionary climate of the previous year.

A lower level of profits was a fairly common experience among industries. However, there was a substantial increase in profits in mining, quarrying and oil wells and in financial services as well as a significant gain in public utilities.

Most of the individual manufacturing industries shared in the unfavourable profits experience of the group as a whole, with total manufacturing profits down by about 11 per cent. Among the major manufacturing industries, the sharpest decline took place in iron and steel, where profits were off about 24 per cent; this decline was associated with reduced output in the industry. The deterioration in profits was also relatively large in such other durable goods industries as wood products, electrical apparatus and supplies and non-metallic mineral products. On the other hand, profits were moderately higher in paper products and in products of petroleum and coal where production likewise rose between the two years.

In spite of a significant increase in the volume of trade, profits were substantially lower in both wholesale and retail trade, apparently associated with higher costs and the easing in some prices. A small decline in profits in the transportation, communication and storage group was in part the result of the smaller volume of traffic handled by the railways.

Rent, interest and miscellaneous investment income rose by close to 4 per cent in 1960. Net residential rents (paid and imputed) are estimated to have fallen; the rise in unit rents and the growth in the stock of dwellings were more than offset by higher operating expenses. In spite of a larger deficit on the operations of the Canadian National Railways, and a small deficit on the operations of

Trans-Canada Airlines, the first in many years, profits of government business enterprises rose by 7 per cent in 1960.

Net Income of Unincorporated Business

Accrued net income of farm operators from farming operations in 1960 is estimated at \$1.2 billion, about 6½ per cent higher than in the preceding year. While cash income was slightly lower, the increase in the value of farm inventories at year-end raised gross income. Farm operating expenses and depreciation continued to rise but not enough to offset the advance in gross income.

According to the preliminary estimate, the crop of grain in 1960 was about 11 per cent larger than in the previous year. Most of this increase is reflected in inventories rather than in sales.

Livestock production showed a small decline in 1960. Increased cash income from the sale of cattle and calves partly offset the reduced income from the sale of hogs. Higher inventories at year-end reflect the further build-up of the cattle population, which more than compensated for reduced hog numbers.

Estimated at \$2.1 billion, income of non-farm unincorporated business was lower than in 1959 by 5 per cent. Income in construction and retail trade dropped sharply, but there was some offsetting increase in income in the service industries.

Accrued Net Income of Farm Operators

	1959	1960	Change 1960 1959	Per cent change 1960 1959
	millions of dollars			
Farm cash income	2,789	2,780	- 9	-0.3
Income in kind	344	348	4	1.2
Farm inventory change	-65	17	82	
Gross income	3,068	3,145	77	2.5
Deduct:				
Farm operating expenses	1,588	1,595	7	0.4
Depreciation	292	298	6	2.1
Add:				
Adjustment on grain transactions	- 4	6	10	
Other adjustments	-52	-51	1	
Accrued net income of farm operators	1,132	1,207	75	6.6

National Saving and Investment

Following a fairly substantial increase in 1959, gross national saving declined moderately in 1960. Estimated at \$5.8 billion, it was more than 2 per cent lower than in the preceding year, and repre-

sented 16 per cent of Gross National Product, as compared with 17 per cent in 1959. The drop in national saving reflects the larger government deficit, referred to earlier; a moderate decline in personal saving offset a small increase in business saving.

	1959	1960	Change 1959 to 1960
	billions of dollars		
Personal saving.....	1.8	1.7	-0.1
Business saving	5.1	5.1	—
Government deficit	-0.5	-0.8	-0.3
Inventory valuation adjustment	-0.1	-0.1	0.1
Residual error of estimate	-0.2	-0.1	0.1
Gross National Saving	6.0	5.8	-0.1
Business gross fixed capital formation	6.9	6.6	-0.3
Change in inventories	0.3	0.3	—
Net foreign investment	-1.4	-1.2	0.2
Residual error of estimate	0.2	0.1	-0.1
Gross National Investment.....	6.0	5.8	-0.1

Note: Figures will not add by +0.1 or -0.1 due to rounding.

The programme of fixed investment in plant and equipment and housing was somewhat lower in 1960 and the rate of investment in inventories largely unchanged. As in previous years, part of the total

investment programme was financed by resources from abroad, to the extent of \$1.2 billion, compared with \$1.4 billion in 1959.

Percentage Distribution of Gross National Expenditure, 1955 - 60

Line No.		1955	1956	1957	1958	1959	1960
1	Personal expenditure on consumer goods and services	64.1	61.6	62.9	64.6	64.5	65.1
2	Durable goods	8.3	8.0	7.6	7.6	7.7	7.5
3	Non-durable goods	33.4	31.8	32.6	33.1	32.5	32.8
4	Services	22.4	21.8	22.7	23.9	24.3	24.8
5	Government expenditure on goods and services	17.7	17.6	17.9	18.8	18.4	18.7
6	Federal	9.3	8.8	8.5	8.7	8.1	7.6
7	Provincial	3.1	3.4	3.5	3.7	3.8	4.2
8	Municipal	5.3	5.4	5.9	6.4	6.5	6.9
9	Business gross fixed capital formation	19.2	22.2	23.0	21.2	19.8	18.4
10	New residential construction	5.1	5.0	4.4	5.3	5.0	4.1
11	New non-residential construction	6.8	8.5	9.7	8.6	7.4	7.1
12	New machinery and equipment	7.3	8.7	8.9	7.3	7.4	7.2
13	Value of physical change in inventories	1.1	3.5	0.8	- 1.0	0.9	0.9
14	Non-farm business inventories	0.5	2.6	1.0	- 0.6	1.0	0.6
15	Farm inventories and grain in commercial channels	0.6	0.9	- 0.2	- 0.4	- 0.1	0.3
16	Exports of goods and services	21.2	20.8	20.0	19.3	19.2	19.3
17	Imports of goods and services	-23.7	-25.2	-24.5	-22.6	-23.3	-22.7
18	Residual error of estimate	0.4	- 0.5	- 0.1	- 0.3	0.5	0.3
19	Gross National Expenditure	100.0	100.0	100.0	100.0	100.0	100.0

Percentage Distribution of National Income by Distributive Shares, 1955 - 60

Line No.		1955	1956	1957	1958	1959	1960
1	Wages, salaries, and supplementary labour income	63.8	64.3	66.7	66.2	66.6	67.6
2	Military pay and allowances	1.9	1.8	2.0	2.0	1.9	1.9
3	Corporation profits before taxes	12.4	12.5	10.7	10.1	10.9	10.0
4	Rent, interest, and miscellaneous investment income	8.1	7.6	8.2	8.5	8.5	8.6
5	Accrued net income of farm operators from farm production	6.1	6.3	4.3	4.8	4.2	4.4
6	Net income of non-farm unincorporated business	8.6	8.5	8.4	8.5	8.3	7.7
7	Inventory valuation adjustment	- 0.9	- 1.0	- 0.3	- 0.1	- 0.4	- 0.2
8	Net National Income at factor cost	100.0	100.0	100.0	100.0	100.0	100.0

Percentage Distribution of Gross Domestic Product at Factor Cost, by Industry, 1955 - 60

Line No.		1955	1956	1957	1958	1959	1960
1	Agriculture	7.3	7.3	5.5	5.9	5.3	5.5
2	Forestry	1.8	1.7	1.5	1.1	1.2	1.2
3	Fishing and trapping	0.3	0.4	0.3	0.4	0.3	0.3
4	Mining, quarrying, and oil wells	4.4	4.4	4.3	3.9	4.2	4.1
5	Manufacturing	28.0	27.9	27.8	26.4	26.5	26.1
6	Construction	5.7	6.4	6.8	6.9	6.9	6.5
7	Transportation	7.1	7.3	7.1	6.6	6.6	6.4
8	Storage	0.3	0.3	0.3	0.3	0.3	0.3
9	Communication	1.9	2.0	2.0	2.1	2.0	2.1
10	Electric power, gas, and water utilities	2.7	2.8	3.1	3.2	3.2	3.3
11	Wholesale trade	4.4	4.6	4.8	4.7	4.8	4.7
12	Retail trade	9.2	9.0	9.0	9.4	9.3	9.0
13	Finance, insurance, and real estate	9.4	8.6	9.3	9.9	9.9	10.3
14	Public administration and defence	6.5	6.4	6.8	7.2	7.2	7.4
15	Service	11.0	10.9	11.4	12.0	12.3	12.8
16	Totals	100.0	100.0	100.0	100.0	100.0	100.0

Percentage Distribution of Personal Income by Source, 1955 - 60

Line No.		1955	1956	1957	1958	1959	1960
1	Wages, salaries, and supplementary labour income	64.6	65.6	66.5	64.4	65.0	64.8
2	Military pay and allowances	2.0	2.0	2.1	2.0	1.9	1.8
3	Net income received by farm operators from farm production	6.1	6.5	4.4	4.8	4.3	4.4
4	Net income of non-farm unincorporated business	9.1	9.0	8.7	8.6	8.4	7.7
5	Interest, dividends, and net rental income of persons	9.3	8.7	9.2	9.3	9.7	9.8
6	Transfer payments (excluding interest)	8.9	8.2	9.1	10.9	10.7	11.5
7	Totals	100.0	100.0	100.0	100.0	100.0	100.0

Selected Per Person Income and Product Series in Current and Constant Dollars, 1955 - 60

Line No.		1955	1956	1957	1958	1959	1960
Current dollars							
1	Gross National Product	1,728	1,902	1,924	1,928	1,998	2,019
2	Personal Income	1,257	1,361	1,398	1,449	1,509	1,540
3	Personal Disposable Income	1,162	1,253	1,282	1,344	1,390	1,408
4	Personal Expenditure on Consumer Goods and Services	1,108	1,171	1,210	1,246	1,289	1,314
Constant (1949) dollars							
5	Gross National Product	1,396	1,481	1,437	1,414	1,426	1,425
6	Personal Expenditure on Consumer Goods and Services	934	970	968	972	991	998

SECTION A
INCOME AND EXPENDITURE ACCOUNTS

1. Summary Tables

TABLE 1. National Income and Gross National Product, 1955-60

Line No.		1955	1956	1957	1958	1959	1960
		millions of dollars					
1	Wages, salaries, and supplementary labour income	13,223	14,890	16,018	16,524	17,761	18,514
2	Military pay and allowances	394	424	476	491	496	509
3	Corporation profits before taxes ¹	2,570	2,908	2,581	2,518	2,907	2,735
4	Rent, interest, and miscellaneous investment income	1,684	1,767	1,980	2,124	2,277	2,362
5	Accrued net income of farm operators from farm production ²	1,264	1,450	1,026	1,197	1,132	1,207
6	Net income of non-farm unincorporated business ³	1,791	1,965	2,008	2,125	2,218	2,105
7	Inventory valuation adjustment ⁴	-189	-238	-78	-35	-115	-57
8	Net National Income at factor cost	20,737	23,166	24,011	24,944	26,676	27,375
9	Indirect taxes less subsidies	3,237	3,636	3,861	3,889	4,244	4,389
10	Capital consumption allowances and miscellaneous valuation adjustments	3,266	3,642	4,009	3,930	4,143	4,291
11	Residual error of estimate	-108	141	28	104	-206	-96
12	Gross National Product at market prices	27,132	30,585	31,909	32,867	34,857	35,959

¹ Excludes dividends paid to non-residents.² Includes changes in farm inventories in millions of dollars as follows:

1955	198	1958	-93
1956	241	1959	-65
1957	-125	1960	17

An adjustment has been made to take account of the accrued earnings of farm operators arising out of the operations of the Canadian Wheat Board. (See footnote 5, Table 52).

³ Includes net income of independent professional practitioners.⁴ See footnote 5, Table 2.

TABLE 2. Gross National Expenditure, 1955-60

Line No.		1955	1956	1957	1958	1959	1960
		millions of dollars					
1	Personal expenditure on consumer goods and services	17,389	18,833	20,072	21,240	22,482	23,409
2	Government expenditure on goods and services ¹	4,792	5,386	5,722	6,173	6,416	6,716
3	<i>Current expenditure</i> ²	3,758	4,126	4,340	4,784	4,893	5,128
4	<i>Gross fixed capital formation</i> ³	1,034	1,260	1,382	1,389	1,523	1,588
5	Business gross fixed capital formation ⁴	5,210	6,774	7,335	6,975	6,894	6,612
6	<i>New residential construction</i>	1,378	1,526	1,409	1,763	1,734	1,476
7	<i>New non-residential construction</i>	1,848	2,589	3,103	2,811	2,589	2,567
8	<i>New machinery and equipment</i>	1,984	2,659	2,823	2,401	2,571	2,569
9	Value of physical change in inventories ⁵	311	1,084	231	-333	297	316
10	<i>Non-farm business inventories</i>	133	808	305	-207	351	229
11	<i>Farm inventories and grain in commercial channels</i>	178	276	-74	-126	-54	87
12	Exports of goods and services ⁶	5,764	6,365	6,391	6,340	6,676	6,957
13	Deduct: Imports of goods and services	-6,443	-7,715	-7,813	-7,423	-8,115	-8,148
14	Residual error of estimate	109	-142	-29	-105	207	97
15	Gross National Expenditure at market prices	27,132	30,585	31,909	32,867	34,857	35,959

¹ Includes defence expenditure which is shown in footnote 2, Table 37.² Also includes net purchases of government commodity agencies and the defence production revolving fund. Excludes shipments of previously produced military equipment to NATO countries but includes replacements of new equipment.³ Includes outlay on new durable assets such as building and highway construction by governments, other than government business enterprises (for detail see footnote 1, Table 43, and lines 2, 3 and 4, Table 54).⁴ Includes capital expenditures by private and government business enterprises, private non-commercial institutions, and outlays on new residential construction by individuals and business investors. Total "Private and Public Investment in Canada" can be obtained by adding lines 4 and 5.⁵ The book value of inventories is deflated to remove the effect of price changes and the derived "physical" change is then valued at average prices of the current period to obtain the value of physical change. The difference between this value of physical change and the change in book value is called the inventory valuation adjustment (see line 7, Table 1).⁶ Excludes shipments of military equipment to NATO countries under the Defence Appropriation Act. See also Table 55.

TABLE 3. Relation between Net National Income at Factor Cost, Personal Income, Personal Disposable Income, and Personal Net Saving, 1955 - 60

Line No.		1955	1956	1957	1958	1959	1960
millions of dollars							
1	Net National Income at factor cost	20,737	23,166	24,011	24,944	26,676	27,375
2	Add: Transfer payments (excluding interest on the public debt and charitable contributions from corporations) ¹	1,737	1,766	2,076	2,653	2,758	3,116
3	Add: Interest on the public debt ¹	669	714	739	781	944	1,049
4	Deduct: Earnings not paid out to persons ²	- 3,405	- 3,761	- 3,635	- 3,676	- 4,059	- 4,098
5	Equals: Personal income	19,738	21,885	23,191	24,702	26,319	27,442
6	Deduct: Personal direct taxes	- 1,499	- 1,732	- 1,917	- 1,788	- 2,083	- 2,358
7	Equals: Personal disposable income	18,239	20,153	21,274	22,914	24,236	25,084
8	Deduct: Personal expenditure on consumer goods and services	-17,389	-18,833	-20,072	-21,240	-22,482	-23,409
9	Equals: Personal net saving	850	1,320	1,202	1,674	1,754	1,675
10	Value of physical change in farm inventories	198	241	- 125	- 93	- 65	17
11	Personal saving excluding change in farm inventories	652	1,079	1,327	1,767	1,819	1,658

¹ Since National Income excludes transfer payments and personal income includes them, items 2 and 3 are added back here. However, charitable contributions from corporations are not added since they are included in National Income.

² This item includes: undistributed corporation profits, corporation profits taxes, withholding taxes, government investment income, adjustment on grain transactions, inventory valuation adjustment, and employer and employee contributions social insurance and government pension funds.

TABLE 4. Relation between Gross National Product at Market Prices and Gross Domestic Product at Factor Cost, 1955 - 60

Line No.		1955	1956	1957	1958	1959	1960
millions of dollars							
1	Gross National Product at market prices	27,132	30,585	31,909	32,867	34,857	35,959
2	Deduct: Residual error of estimate	108	- 141	- 28	- 104	206	96
3	Indirect taxes less subsidies	- 3,237	- 3,636	- 3,861	- 3,889	- 4,244	- 4,389
4	Income received from non-residents	- 160	- 142	- 154	- 168	- 183	- 175
5	Add: Income paid to non-residents	483	523	589	612	657	655
6	Gross domestic product at factor cost	24,326	27,189	28,455	29,318	31,293	32,146

TABLE 5. Gross National Expenditure in Constant (1949) Dollars, 1955-60

Line No.		1955	1956	1957	1958	1959	1960
millions of dollars							
1	Personal expenditure on consumer goods and services	14,662	15,603	16,058	16,568	17,281	17,774
2	Government expenditure on goods and services	3,563	3,794	3,817	3,983	4,005	4,043
3	<i>Current expenditure</i>	2,767	2,869	2,850	3,027	2,985	3,002
4	<i>Gross fixed capital formation</i>	796	925	967	956	1,020	1,041
5	Business gross fixed capital formation	3,962	4,891	5,084	4,734	4,567	4,286
6	<i>New residential construction</i>	1,040	1,110	997	1,218	1,156	959
7	<i>New non-residential construction</i>	1,365	1,816	2,107	1,877	1,687	1,634
8	<i>New machinery and equipment</i>	1,557	1,965	1,980	1,639	1,724	1,693
9	Change in inventories	419	955	147	- 305	183	297
10	<i>Non-farm business inventories</i>	134	648	257	- 143	273	185
11	<i>Farm inventories and grain in commercial channels</i>	285	307	- 110	- 162	- 90	112
12	Exports of goods and services	4,969	5,340	5,353	5,447	5,563	5,712
13	Deduct: Imports of goods and services	-5,742	-6,662	-6,604	-6,248	-6,883	-6,801
14	Residual error of estimate	87	- 110	- 22	- 77	148	68
15	Gross National Expenditure in constant (1949) dollars	21,920	23,811	23,833	24,102	24,864	25,379
16	Index, line 15, 1949=100	134.1	145.7	145.8	147.5	152.1	155.3

TABLE 6. Implicit Price Indexes - Gross National Expenditure, 1955-60¹

Line No.		1955	1956	1957	1958	1959	1960
1	Personal expenditure on consumer goods and services	118.6	120.7	125.0	128.2	130.1	131.7
2	Government expenditure on goods and services	134.5	142.0	149.9	155.0	160.2	166.1
3	<i>Current expenditure</i>	135.8	143.8	152.2	158.0	163.9	170.8
4	<i>Gross fixed capital formation</i>	129.9	136.2	142.9	145.3	149.3	152.5
5	Business gross fixed capital formation	131.5	138.5	144.3	147.3	151.0	154.3
6	<i>New residential construction</i>	132.5	137.5	141.3	144.7	150.0	153.9
7	<i>New non-residential construction</i>	135.4	142.6	147.3	149.8	153.5	157.1
8	<i>New machinery and equipment</i>	127.4	135.3	142.6	146.5	149.1	151.7
9	Exports of goods and services	116.0	119.2	119.4	116.4	120.0	121.8
10	Imports of goods and services	112.2	115.8	118.3	118.8	117.9	119.8
11	Residual error of estimate	124.7	129.1	133.7	136.0	140.0	142.1
12	Gross National Expenditure at market prices	123.8	128.4	133.9	136.4	140.2	141.7

¹ These implicit indexes are currently weighted price indexes. They reflect not only pure price changes, but also changing expenditure patterns within and between major groups. The implicit price index for Gross National Expenditure is derived by dividing the total of current dollars by the total of constant dollars.

2. Analysis of Income and Expenditure Accounts
by Sectors of the Canadian Economy

TABLE 7. Personal Income and Expenditure Account, 1955-60

Income

Item No.		1955	1956	1957	1958	1959	1960
		millions of dollars					
1	Wages, salaries, and supplementary labour income:						
	(a) From business (28 a)	11,081	12,517	13,379	13,572	14,503	14,970
	(b) From governments (19 bi)	1,682	1,871	2,088	2,336	2,569	2,781
	(c) From persons (9 b)	460	502	551	616	689	763
	(d) Deduct employer and employee contributions to social insurance and government pension funds (17) ..	-476	-532	-590	-615	-649	-739
2	Military pay and allowances (19 bii)	394	424	476	491	496	509
3	Net income received by farm operators from farm production ¹ (28 c)	1,200	1,430	1,026	1,198	1,136	1,201
4	Net income of non-farm unincorporated business (28 e)	1,791	1,965	2,008	2,125	2,218	2,105
5	Interest, dividends, and net rental income of persons ² (44 a) ..	1,840	1,908	2,141	2,288	2,559	2,696
6	Transfer payments (excluding interest):						
	(a) From governments (20 b)	1,737	1,766	2,076	2,653	2,758	3,116
	(b) Charitable contributions from corporations (44 b)	29	34	36	38	40	40
7	Totals	19,738	21,885	23,191	24,702	26,319	27,442

¹ This item differs from line 5 of Table 1 by excluding the adjustment which has been made to take account of the accrued net earnings arising out of the operations of the Canadian Wheat Board.

² Includes all government debt interest paid to persons.

TABLE 8. Personal Income and Expenditure Account, 1955-60

Expenditure

Item No.		1955	1956	1957	1958	1959	1960
		millions of dollars					
8	Personal direct taxes:						
	(a) Income taxes (12 a)	1,297	1,496	1,693	1,554	1,744	1,977
	(b) Succession duties (12 b)	127	146	126	126	130	158
	(c) Miscellaneous (12 c)	75	90	98	108	209	223
9	Purchases of goods and services:						
	(a) From business (24 a)	16,375	17,714	18,879	19,963	21,066	21,884
	(b) Direct services (1 c)	460	502	551	616	689	763
	(c) Travel expenditure (34 a)	449	498	525	542	598	632
	(d) Other expenditures abroad (34 b)	105	119	117	119	129	130
10	Personal net saving ¹ (48)	850	1,320	1,202	1,674	1,754	1,675
11	Totals	19,738	21,885	23,191	24,702	26,319	27,442

¹ This series includes changes in farm inventories, see Table 3.

TABLE 9. Government Revenue and Expenditure Account, 1955 - 60¹
Revenue

Item No.		1955	1956	1957	1958	1959	1960
millions of dollars							
12	Direct taxes—Persons:						
	(a) Income taxes (8 a)	1,297	1,496	1,693	1,554	1,744	1,977
	(b) Succession duties (8 b)	127	146	126	126	130	158
	(c) Miscellaneous (8 c)	75	90	98	108	209	223
13	Direct taxes—Corporations:						
	(a) Income tax collections (44 c)	1,109	1,373	1,550	1,336	1,440	1,672
	(b) Excess of income tax liabilities over income tax collections (44 d)	163	40	-213	-36	101	-223
14	Withholding taxes (44 e)	67	69	83	48	72	77
15	Indirect taxes (29 a)	3,319	3,759	3,977	4,028	4,442	4,623
16	Investment income:						
	(a) Interest (44 f)	238	258	293	363	412	438
	(b) Profits of government business enterprises (44 g)	515	576	556	574	581	622
17	Employer and employee contributions to social insurance and government pension funds (1 d)	476	532	590	615	649	739
18	Totals²	7,386	8,339	8,753	8,716	9,780	10,306

¹ See also Table 36.

² Inter-governmental transfers are not included in this total, since in the consolidation of the government sector such transactions cancel out. For details of inter-governmental transfers, see Table 46.

TABLE 10. Government Revenue and Expenditure Account, 1955 - 60¹
Expenditure

Item No.		1955	1956	1957	1958	1959	1960
millions of dollars							
19	Purchase of goods and services: ²						
	(a) From business (24 b)	2,716	3,091	3,158	3,346	3,351	3,426
	(b) Direct services:						
	(i) Wages and salaries (1 b)	1,682	1,871	2,038	2,336	2,569	2,781
	(ii) Military pay and allowances (2)	394	424	476	491	496	509
20	Transfer payments:						
	(a) Interest (45)	669	714	739	781	944	1,049
	(b) Other (6 a)	1,737	1,766	2,076	2,653	2,758	3,116
21	Subsidies (29 b)	82	123	116	139	198	234
22	Surplus (+) or deficit (-) (on transactions relating to the National Accounts) ³ (51)	106	350	100	-1,030	-536	-809
23	Totals⁴	7,386	8,339	8,753	8,716	9,780	10,306

¹ See also Table 37.

² See line 2, Table 2.

³ For a reconciliation of the federal content of this consolidated surplus (or deficit) with the conventional federal budgetary surplus (or deficit) see Table 53.

⁴ In addition to total expenditure, this item includes the government surplus or deficit. Inter-governmental transfers are not included in this total, since in the consolidation of the government sector such transactions cancel out. For details of inter-governmental transfers, see Table 46.

TABLE 11. Business Operating Account, 1955 - 60
Revenue

Item No.		1955	1956	1957	1958	1959	1960
		millions of dollars					
24	Sales to residents:						
	(a) Persons (9 a)	16,375	17,714	18,879	19,963	21,066	21,884
	(b) Governments ¹ (19 a)	2,716	3,091	3,158	3,346	3,351	3,426
	(c) Business gross fixed capital formation: ²						
	(i) New residential construction (54 a)	1,378	1,526	1,409	1,763	1,734	1,476
	(ii) New non-residential construction (54 b)	1,348	2,589	3,103	2,811	2,589	2,567
	(iii) New machinery and equipment (54 c)	1,984	2,659	2,823	2,401	2,571	2,569
	(d) Value of physical change in inventories (55)	311	1,034	231	-333	297	316
25	Sales to non-residents:						
	(a) Travel expenditure (38 b)	328	337	363	349	391	417
	(b) Other (38 c)	5,276	5,886	5,874	5,823	6,102	6,365
26	Residual error of estimate	109	-142	-29	-105	207	97
27	Totals	30,325	34,744	35,811	36,018	38,308	39,117

¹ See footnotes 1, 2, 3, Table 2.² See footnote 4, Table 2.

TABLE 12. Business Operating Account, 1955 - 60
Expenditure

Item No.		1955	1956	1957	1958	1959	1960
		millions of dollars					
28	Factor costs:						
	(a) Wages, salaries, and supplementary labour income (1 a)	11,081	12,517	13,379	13,572	14,503	14,970
	(b) Investment income (excluding interest and dividends received from non-residents and including interest and dividends paid to non-residents) (41)	4,577	5,056	4,996	5,086	5,658	5,577
	(c) Net income received by farm operators from farm production ¹ (3)	1,200	1,430	1,026	1,198	1,136	1,201
	(d) Adjustment on grain transactions ² (49 c)	64	20	-	- 1	- 4	6
	(e) Net income of non-farm unincorporated business (4) ..	1,791	1,965	2,008	2,125	2,218	2,105
	(f) Inventory valuation adjustment (50)	-189	-238	- 78	- 35	-115	- 57
29	Other costs:						
	(a) Indirect taxes (15)	3,319	3,759	3,977	4,028	4,442	4,623
	(b) Less subsidies (21)	- 82	-123	-116	-139	-198	-234
	(c) Capital consumption allowances and miscellaneous valuation adjustments (49 b)	3,266	3,642	4,009	3,930	4,143	4,291
30	Purchases from non-residents (33 b)	5,406	6,575	6,582	6,150	6,731	6,731
31	Residual error of estimate	-108	141	28	104	-206	- 96
32	Totals	30,325	34,744	35,811	36,018	38,308	39,117

¹ See footnote 1, Table 7.² This item is the adjustment to take account of the accrued earnings of farm operators arising out of the operations of the Canadian Wheat Board. See footnote 5, Table 52.

TABLE 13. Non-Residents' Revenue and Expenditure Account, 1955 - 60¹

Receipts from Canada

(Canadian Imports)

Item No.		1955	1956	1957	1958	1959	1960
		millions of dollars					
33	Receipts from business:						
	(a) Interest and dividends (46a)	416	455	512	523	553	528
	(b) Other than interest and dividends (30)	5,406	6,575	6,582	6,150	6,731	6,731
34	Receipts from persons:						
	(a) Travel expenditure (9c)	449	498	525	542	598	632
	(b) All other receipts (9d)	105	119	117	119	129	130
35	Receipts from Government — Interest (46b)	67	68	77	89	104	127
36	Surplus(+) or deficit(-) on current account (on transactions relating to the National Accounts) (56)	-679	-1,350	-1,422	-1,083	-1,439	-1,191
37	Totals	5,764	6,365	6,391	6,340	6,676	6,957

¹ These figures differ from those shown in reports on *The Canadian Balance of International Payments*, Dominion Bureau of Statistics, because adjustments have been made to the figures of receipts and payments to achieve consistency with other component series, See Table 55.

TABLE 14. Non-Residents' Revenue and Expenditure Account, 1955 - 60¹

Payments to Canada

(Canadian Exports)

Item No.		1955	1956	1957	1958	1959	1960
		millions of dollars					
38	Payments to business:						
	(a) Interest and dividends (42a)	80	73	81	81	90	74
	(b) Travel expenditure (25a)	328	337	363	349	391	417
	(c) Other payments (25b)	5,276	5,886	5,874	5,823	6,102	6,365
39	Payments to other sectors:						
	Interest and dividends (42b)	80	69	73	87	93	101
40	Totals	5,764	6,365	6,391	6,340	6,676	6,957

¹ See footnote 1, Table 13.

TABLE 15. Investment Income Appropriation Account, 1955 - 60

Source

Item No.		1955	1956	1957	1958	1959	1960
		millions of dollars					
41	Investment income (excluding interest and dividends received from non-residents and including interest and dividends paid to non-residents) (28b)	4,577	5,056	4,996	5,086	5,658	5,577
42	Interest and dividends from non-residents received by:						
	(a) Corporations (38a)	80	73	81	81	90	74
	(b) Other sectors (39)	80	69	73	87	93	101
43	Totals	4,737	5,198	5,150	5,254	5,841	5,752

TABLE 16. Investment Income Appropriation Account, 1955 - 60

Disposition

Item No.		1955	1956	1957	1958	1959	1960
		millions of dollars					
44	To Canadian residents:						
	(a) Interest, dividends, and net rental income of persons (5)	1,840	1,908	2,141	2,288	2,559	2,696
	(b) Charitable contributions from corporations (6b)	29	34	36	38	40	40
	(c) Corporation income tax collections (13a)	1,109	1,373	1,550	1,336	1,440	1,672
	(d) Excess of corporation income tax liabilities over collections (13b)	163	40	-213	-36	101	-223
	(e) Withholding taxes (14)	67	69	83	48	72	77
	(f) Government interest revenue (16a)	238	258	293	363	412	438
	(g) Profits of government business enterprises (16b)	515	576	556	574	581	622
	(h) Undistributed corporation profits (49a)	962	1,131	854	812	923	824
45	Less: Interest on the public debt (20a)	-669	-714	-739	-781	-944	-1,049
46	To non-residents, interest and dividends received from:						
	(a) Business (33a)	416	455	512	523	553	528
	(b) Government (35)	67	68	77	89	104	127
47	Totals	4,737	5,198	5,150	5,254	5,841	5,752

TABLE 17. National Saving Account, 1955 - 60

Source

Item No.		1955	1956	1957	1958	1959	1960
		millions of dollars					
48	Personal net saving (10)	850	1,320	1,202	1,674	1,754	1,675
49	Business gross saving:						
	(a) Undistributed corporation profits (44h)	962	1,131	854	812	923	824
	(b) Capital consumption allowances and miscellaneous valuation adjustments (29c) ¹	3,266	3,642	4,009	3,930	4,143	4,291
	(c) Adjustment on grain transactions (28d)	64	20	—	-1	-4	6
50	Inventory valuation adjustment (28f)	-189	-238	-78	-35	-115	- 57
51	Government surplus (+) or deficit (-) (22)	106	350	100	-1,030	-536	-809
52	Residual error of estimate	-108	141	28	104	-206	- 96
53	Totals	4,951	6,366	6,115	5,454	5,959	5,834

¹ Includes capital consumption allowances of incorporated and unincorporated business as well as depreciation on dwellings. See also table 51.

TABLE 18. National Saving Account, 1955 - 60
Disposition

Item No.		1955	1956	1957	1958	1959	1960
		millions of dollars					
54	Business gross fixed capital formation: ¹						
	(a) New residential construction (24 ci)	1,378	1,526	1,409	1,763	1,734	1,476
	(b) New non-residential construction (24 cii)	1,848	2,589	3,103	2,811	2,589	2,567
	(c) New machinery and equipment (24 ciii)	1,984	2,659	2,823	2,401	2,571	2,569
55	Value of physical change in inventories (24 d)	311	1,084	231	-333	297	316
56	Surplus (+) or deficit (-) on current account with non-residents ² (36)	-679	-1,350	-1,422	-1,083	-1,439	-1,191
57	Residual error of estimate	109	-142	-29	-105	207	97
58	Totals	4,951	6,366	6,115	5,454	5,959	5,834

¹ See footnote 4, Table 2. For reconciliation with *Private and Public Investment* figures published by the Department of Trade and Commerce, see Table 54.

² See footnote 1, Table 13.

TABLE 19. Sector Accounts Consolidation, 1955 - 60
National Income and Gross National Product

Line No.		1955	1956	1957	1958	1959	1960
		millions of dollars					
	Income originating in:						
	Personal sector:						
1	Wages, salaries, and supplementary labour income	460	502	551	616	689	763
2	Business sector	18,524	20,750	21,331	21,945	23,396	23,802
3	Wages, salaries, and supplementary labour income	11,081	12,517	13,379	13,572	14,503	14,970
4	Investment income (excluding interest and dividends received from non-residents and including interest and dividends paid to non-residents)	4,577	5,056	4,996	5,086	5,658	5,577
5	Net income received by farm operators from farm production	1,200	1,430	1,026	1,198	1,136	1,201
6	Adjustment on grain transactions	64	20	-	- 1	- 4	6
7	Net income of non-farm unincorporated business	1,791	1,965	2,008	2,125	2,218	2,105
8	Inventory valuation adjustment	-189	-238	- 78	- 35	-115	- 57
9	Government sector	2,076	2,295	2,564	2,827	3,065	3,290
10	Wages, salaries, and supplementary labour income	1,682	1,871	2,088	2,336	2,569	2,781
11	Military pay and allowances	394	424	476	491	496	509
12	Non-residents' sector	-323	-381	-435	-444	-474	-480
	Interest and dividends paid by non-residents:						
13	(a) To Canadian corporations	80	73	81	81	90	74
14	(b) To other Canadian sectors	80	69	73	87	93	101
	Less interest and dividends received by non-residents:						
15	(a) From Canadian business	-416	-455	-512	-523	-553	-528
16	(b) From Canadian governments	- 67	- 68	- 77	- 89	-104	-127
17	Net national income at factor cost	20,737	23,166	24,011	24,944	26,676	27,375
18	Capital consumption allowances and miscellaneous valuation adjustments	3,266	3,642	4,009	3,930	4,143	4,291
19	Indirect taxes	3,319	3,759	3,977	4,028	4,442	4,623
20	Less subsidies	- 82	-123	-116	-139	-198	-234
21	Residual error of estimate	-108	141	28	104	-206	- 96
22	Gross National Product at market prices	27,132	30,585	31,909	32,867	34,857	35,959

TABLE 20. Sector Accounts Consolidation, 1955 - 60
Gross National Expenditure

Line No.		1955	1956	1957	1958	1959	1960
		millions of dollars					
1	Personal expenditure on consumer goods and services	17,389	18,833	20,072	21,240	22,482	23,409
2	Purchases from business	16,375	17,714	18,879	19,963	21,066	21,884
3	Purchases of direct services	460	502	551	616	689	763
4	Purchases from non-residents	554	617	642	661	727	762
5	Government expenditure on goods and services	4,792	5,386	5,722	6,173	6,416	6,716
6	Purchases from business	2,716	3,091	3,158	3,346	3,351	3,426
7	Wages and salaries	1,682	1,871	2,088	2,336	2,569	2,781
8	Military pay and allowances	394	424	476	491	496	509
9	Business gross fixed capital formation	5,210	6,774	7,335	6,975	6,894	6,612
10	New residential construction	1,378	1,526	1,409	1,763	1,734	1,476
11	New non-residential construction	1,848	2,589	3,103	2,811	2,589	2,567
12	New machinery and equipment	1,984	2,659	2,823	2,401	2,571	2,569
13	Value of physical change in inventories	311	1,084	231	-333	297	316
14	Exports of goods and services	5,764	6,365	6,391	6,340	6,676	6,957
15	Payments to Canadian business	5,684	6,296	6,318	6,253	6,583	6,856
16	Payments to other sectors	80	69	73	87	93	101
17	Imports of goods and services	-6,443	-7,715	-7,813	-7,423	-8,115	-8,148
18	Receipts from Canadian business	-5,822	-7,030	-7,094	-6,673	-7,284	-7,259
19	Receipts from persons	-554	-617	-642	-661	-727	-762
20	Receipts from government	-67	-68	-77	-89	-104	-127
21	Residual error of estimate	109	-142	-29	-105	207	97
22	Gross National Expenditure at market prices	27,132	30,585	31,909	32,867	34,857	35,959

SECTION B

INDUSTRIAL DISTRIBUTION OF GROSS DOMESTIC
PRODUCT AND OTHER AGGREGATES

TABLE 21. Gross Domestic Product at Factor Cost, by Industry, 1955 - 60¹

Line No.		1955	1956	1957	1958	1959	1960
millions of dollars							
1	Agriculture	1,767	1,973	1,551	1,729	1,674	1,763
2	Forestry	438	462	413	334	362	392
3	Fishing and trapping	85	98	88	112	105	97
4	Mining, quarrying, and oil wells	1,071	1,196	1,222	1,152	1,299	1,320
5	Manufacturing	6,779	7,605	7,904	7,744	8,288	8,388
6	Construction	1,385	1,752	1,935	2,018	2,149	2,104
7	Transportation	1,719	1,983	2,032	1,928	2,077	2,058
8	Storage	68	79	77	77	92	87
9	Communication	473	532	581	619	638	671
10	Electric power, gas, and water utilities	664	768	879	931	1,001	1,065
11	Wholesale trade	1,080	1,260	1,371	1,380	1,503	1,513
12	Retail trade	2,243	2,437	2,573	2,770	2,914	2,904
13	Finance, insurance, and real estate ²	2,298	2,337	2,646	2,903	3,114	3,300
14	Public administration and defence	1,590	1,738	1,928	2,104	2,239	2,371
15	Service	2,666	2,969	3,255	3,517	3,838	4,113
16	Totals	24,326	27,189	28,455	29,318	31,293	32,146

¹ For a reconciliation between Gross National Product at market prices and gross domestic product at factor cost, see Table 4. It should be noted that the data for wages, salaries, and supplementary labour income; and the inventory valuation adjustment are on an establishment basis, while the data for net income of unincorporated business; investment income; and capital consumption allowances and miscellaneous valuation adjustments are on a company basis.

Details by industry on capital consumption allowances and miscellaneous valuation adjustments, and the inventory valuation adjustment are not given pending further research, and Tables 22 to 24 are therefore not additive to the above data.

² This group includes ownership of dwellings.

TABLE 22. Wages, Salaries, and Supplementary Labour Income, by Industry, 1955 - 60¹

Line No.		1955	1956	1957	1958	1959	1960
millions of dollars							
1	Agriculture	161	172	172	177	182	187
2	Forestry	342	388	354	288	308	346
3	Fishing and trapping	20	23	21	26	24	22
4	Mining, quarrying, and oil wells	457	528	569	562	592	596
5	Manufacturing	4,299	4,766	5,034	5,041	5,355	5,491
6	Construction	936	1,239	1,341	1,359	1,504	1,507
7	Transportation	1,123	1,247	1,306	1,294	1,372	1,363
8	Storage	44	49	53	55	61	61
9	Communication	303	342	385	413	430	451
10	Electric power, gas, and water utilities	212	249	288	311	331	344
11	Wholesale trade	739	830	919	954	1,027	1,090
12	Retail trade	1,187	1,304	1,420	1,490	1,605	1,677
13	Finance, insurance, and real estate	554	619	698	735	772	814
14	Public administration and defence ¹	1,590	1,738	1,928	2,104	2,239	2,371
15	Service	1,650	1,820	2,006	2,206	2,455	2,703
16	Totals	13,617	15,314	16,494	17,015	18,257	19,023

¹ Includes military pay and allowances.

TABLE 23. Investment Income, by Industry, 1955 - 60¹

Line No.		1955	1956	1957	1958	1959	1960
		millions of dollars					
1	Agriculture	44	48	52	56	58	60
2	Forestry	21	17	5	6	6	8
3	Fishing and trapping	—	—	—	—	—	—
4	Mining, quarrying, and oil wells.....	342	402	344	255	333	372
5	Manufacturing.....	1,552	1,722	1,583	1,475	1,700	1,553
6	Construction	86	122	167	210	209	193
7	Transportation.....	215	263	185	123	156	129
8	Storage	12	16	9	10	18	13
9	Communication	74	81	72	105	98	107
10	Electric power, gas, and water utilities	301	334	369	387	420	452
11	Wholesale trade	244	325	295	263	302	259
12	Retail trade	319	379	391	426	445	419
13	Finance, insurance, and real estate	1,178	1,129	1,280	1,517	1,638	1,732
14	Public administration and defence	—	—	—	—	—	—
15	Service	189	218	244	253	275	280
16	Totals	4,577	5,056	4,996	5,086	5,658	5,577

¹ The total of this table does not agree with the sum of corporation profits; and rent, interest, and miscellaneous investment income in Table 1. Data in Table 1 are on a national concept basis, while the data in this table are on a domestic concept basis. Interest and dividends paid to non-residents are included in this table and interest and dividends received from non-residents are excluded from this table.

TABLE 24. Accrued Net Income of Farm Operators from Farm Production and Net Income of Non-Farm Unincorporated Business, by Industry, 1955 - 60

Line No.		1955	1956	1957	1958	1959	1960
		millions of dollars					
1	Agriculture	1,264	1,450	1,026	1,197	1,132	1,207
2	Forestry	62	54	35	29	29	30
3	Fishing and trapping	39	49	38	57	55	51
4	Mining, quarrying, and oil wells.....	6	6	6	6	6	6
5	Manufacturing	151	176	179	171	180	183
6	Construction	264	270	281	284	295	251
7	Transportation.....	66	71	66	72	79	81
8	Storage; communication; and electric power, gas, and water utilities	—	—	—	—	—	—
9	Retail trade	488	544	577	612	637	549
10	Wholesale trade.....	55	59	48	60	62	62
11	Finance, insurance, and real estate	63	68	67	69	70	70
12	Service	597	668	711	765	805	822
13	Totals	3,053	3,415	3,034	3,322	3,350	3,312

TABLE 25. Business Gross Fixed Capital Formation, by Industry, 1955 - 60¹

Line No.		1955	1956	1957	1958	1959	1960
		millions of dollars					
1	Agriculture	426	488	434	465	539	548
2	Fishing and trapping						
3	Forestry						
4	Mining, quarrying, and oil wells	336	542	606	342	342	382
5	Manufacturing	947	1,394	1,479	1,095	1,144	1,192
6	Construction	174	200	158	157	145	137
7	Transportation	395	731	1,042	967	746	701
8	Storage ²						
9	Communication ³						
10	Electric power, gas, and water utilities ²	516	772	949	845	766	701
11	Trade	329	325	370	356	363	348
12	Finance, insurance, and real estate ⁴	1,480	1,650	1,545	1,943	2,001	1,726
13	Service ⁵	325	342	392	436	475	475
14	Totals	5,210	6,774	7,335	6,975	6,894	6,612

¹ This table is derived from *Private and Public Investment in Canada, 1946-1957* and *Private and Public Investment in Canada, Outlook, 1960 and 1961*. Additional detail has been provided by the D.B.S. Business Finance Division and adjustments have been made to classify the data according to National Accounting concepts. (See reconciliation statement, Table 54). For an industrial distribution of both private and public investment see Table 3 and Table 1 respectively in the aforementioned publications.

² In accordance with the Standard Industrial Classification, outlays for investment of grain elevators are included in the storage industry. Prior to 1954 this item was assigned to the electric power, gas and water utilities industry. To facilitate historical comparison of the affected industries, the grain elevators investment figures are as follows: 1955, \$11 million; 1956, \$14 million; 1957, \$10 million; 1958, \$12 million; 1959, \$24 million, and 1960, \$16 million.

³ Excludes investment expenditures by the Canadian Broadcasting Corporation, which are included in "Government expenditure on goods and services".

⁴ Includes all new residential construction, (exclusive of government other than government business enterprises). See line 6, Table 2.

⁵ Excludes expenditures by government departments and government operated institutions which are included with "government expenditure on goods and services". Expenditures of government business enterprises (railways, power commissions, etc.) are included under appropriate industry headings.

TABLE 26. Value of Physical Change in Inventories, by Industry, 1955 - 60

Line No.		1955	1956	1957	1958	1959	1960
		millions of dollars					
1	Agriculture	198	241	-125	- 93	-65	17
2	Forestry	9	3	4	- 21	12	4
3	Fishing and trapping	-	-	-	-	-	-
4	Mining, quarrying, and oil wells	- 6	15	43	43	- 2	3
5	Manufacturing	- 6	433	140	-146	118	66
6	Construction	18	29	- 9	- 11	11	- 9
7	Transportation	-32	28	8	- 21	10	-23
8	Storage						
9	Communication						
10	Electric power, gas, and water utilities	- 2	16	20	- 7	- 9	- 1
11	Trade:	-20	35	51	- 33	11	70
12	Grain in commercial channels						
13	Wholesale (excluding grain in commercial channels)						
13	Retail	47	127	71	- 53	85	15
14	Finance, insurance, and real estate	109	155	27	10	125	174
15	Service	- 4	2	1	- 1	1	-
16	Totals						
		311	1,084	231	-333	297	316

TABLE 27. Corporation Profits, by Industry, 1955 - 60

Line No.		1955	1956	1957	1958	1959	1960
		millions of dollars					
1	Agriculture	21	16	5	9	8	9
2	Forestry						
3	Fishing and trapping						
4	Mining, quarrying, and oil wells	325	382	322	234	313	352
5	Manufacturing	1,515	1,646	1,469	1,362	1,596	1,420
6	Construction	77	106	150	194	190	172
7	Transportation	144	177	145	90	121	115
8	Storage	11	15	8	9	17	12
9	Communication	43	48	47	80	72	77
10	Electric power, gas, and water utilities	55	60	61	56	67	75
11	Wholesale trade	222	295	262	231	264	217
12	Retail trade	170	213	209	226	240	200
13	Finance, insurance, and real estate	326	318	301	425	437	487
14	Service	56	69	77	72	76	64
15	Totals¹	2,965	3,345	3,056	2,988	3,401	3,200

¹ For an analysis of total corporation profits see Table 50. For an explanation of the contents of these totals, see footnote 1, Table 50.

SECTION C

GEOGRAPHICAL DISTRIBUTION OF PERSONAL INCOME

TABLE 28. Personal Income, Geographical Distribution, 1955 - 60¹

Line No.		1955	1956	1957	1958	1959	1960
		millions of dollars					
1	Newfoundland	277	311	329	345	373	393
2	Prince Edward Island	69	78	76	85	93	100
3	Nova Scotia	627	675	721	761	814	851
4	New Brunswick	450	497	513	541	580	621
5	Quebec	4,847	5,318	5,742	6,065	6,404	6,684
6	Ontario	7,918	8,617	9,399	9,994	10,700	11,079
7	Manitoba	999	1,126	1,132	1,264	1,339	1,372
8	Saskatchewan	1,022	1,226	1,019	1,107	1,184	1,318
9	Alberta	1,410	1,635	1,660	1,851	1,958	2,018
10	British Columbia	2,064	2,332	2,527	2,613	2,782	2,901
11	Yukon and Northwest Territories	31	43	42	43	44	48
12	Foreign Countries ²	24	27	31	33	48	57
13	Canada	19,738	21,885	23,191	24,702	26,319	27,442

¹ Geographical distributions of only the main components of personal income are given in Tables 31 to 35 inclusive; these tables, therefore, do not add to the total of personal income.

² Includes receipts of income of Canadians temporarily abroad, including pay and allowances of Canadian armed forces abroad.

TABLE 29. Personal Income per Person, Geographical Distribution, 1955 - 60

Line No.		1955	1956	1957	1958	1959	1960
		dollars					
1	Newfoundland	682	749	772	788	831	856
2	Prince Edward Island	690	788	768	850	912	971
3	Nova Scotia	918	971	1,027	1,072	1,137	1,177
4	New Brunswick	823	895	908	938	983	1,035
5	Quebec	1,073	1,149	1,207	1,242	1,281	1,309
6	Ontario	1,504	1,594	1,672	1,722	1,798	1,820
7	Manitoba	1,191	1,325	1,316	1,453	1,513	1,526
8	Saskatchewan	1,164	1,392	1,159	1,247	1,313	1,448
9	Alberta	1,292	1,456	1,431	1,541	1,575	1,573
10	British Columbia	1,538	1,667	1,699	1,692	1,772	1,806
11	Yukon and Northwest Territories	1,069	1,387	1,355	1,303	1,294	1,333
12	Canada	1,257	1,361	1,398	1,449	1,509	1,540

TABLE 30. Personal Disposable Income,¹ Geographical Distribution, 1955-60

Line No.		1955	1956	1957	1958	1959	1960
		millions of dollars					
1	Newfoundland	264	294	311	330	357	374
2	Prince Edward Island	67	75	73	82	90	96
3	Nova Scotia	601	644	680	725	774	800
4	New Brunswick	431	474	484	504	544	575
5	Quebec	4,463	4,900	5,281	5,663	5,952	6,175
6	Ontario	7,219	7,774	8,536	9,174	9,700	9,957
7	Manitoba	933	1,051	1,054	1,182	1,242	1,262
8	Saskatchewan	964	1,178	949	1,037	1,108	1,236
9	Alberta	1,323	1,536	1,530	1,727	1,820	1,863
10	British Columbia	1,922	2,160	2,306	2,417	2,561	2,645
11	Yukon and Northwest Territories	28	40	39	40	40	44
12	Foreign Countries ²	24	27	31	33	48	57
13	Canada	18,239	20,153	21,274	22,914	24,236	25,084

¹ Personal disposable income consists of total personal income less personal direct taxes.² Taxes paid by Canadians temporarily abroad cannot be estimated and all direct taxes are allocated to provincial personal incomes only.TABLE 31. Wages, Salaries, and Supplementary Labour Income,¹ Geographical Distribution, 1955-60

Line No.		1955	1956	1957	1958	1959	1960
		millions of dollars					
1	Newfoundland	191	215	226	224	244	261
2	Prince Edward Island	33	36	38	38	44	47
3	Nova Scotia	405	440	465	475	510	540
4	New Brunswick	293	327	332	340	371	394
5	Quebec	3,377	3,817	4,103	4,235	4,522	4,735
6	Ontario	5,546	6,198	6,741	6,982	7,482	7,741
7	Manitoba	635	700	738	771	837	865
8	Saskatchewan	445	499	534	568	611	633
9	Alberta	839	961	1,029	1,088	1,193	1,246
10	British Columbia	1,426	1,649	1,765	1,755	1,897	1,998
11	Yukon and Northwest Territories	26	39	37	38	40	43
12	Foreign Countries	7	9	10	10	10	11
13	Canada	13,223	14,890	16,018	16,524	17,761	18,514

¹ Excludes military pay and allowances, includes employer and employee contributions to social insurance and government pension funds.

**TABLE 32. Net Income Received by Farm Operators From Farm Production,¹
Geographical Distribution 1955-60**

Line No.		1955	1956	1957	1958	1959	1960
		millions of dollars					
1	Newfoundland	2	2	2	2	2	2
2	Prince Edward Island	11	13	9	12	11	12
3	Nova Scotia.....	15	16	15	14	12	14
4	New Brunswick.....	17	25	19	18	15	21
5	Quebec.....	218	186	176	194	181	178
6	Ontario.....	316	297	307	360	295	330
7	Manitoba	82	127	75	118	109	95
8	Saskatchewan	296	443	192	190	227	294
9	Alberta.....	197	273	181	236	233	205
10	British Columbia	46	48	50	54	51	50
11	Yukon and Northwest Territories	—	—	—	—	—	—
12	Canada.....	1, 200	1, 430	1, 026	1, 198	1, 136	1, 201

¹ This item differs from line 5 Table 1, by excluding the adjustment which has been made to take account of the accrued earnings arising out of the operations of the Canadian Wheat Board.

**TABLE 33. Net Income of Non-Farm Unincorporated Business, Geographical Distribution,
1955-60**

Line No.		1955	1956	1957	1958	1959	1960
		millions of dollars					
1	Newfoundland	29	33	35	34	41	39
2	Prince Edward Island	8	10	10	12	13	12
3	Nova Scotia.....	69	75	76	82	84	81
4	New Brunswick.....	50	52	48	54	57	55
5	Quebec.....	395	439	451	465	509	486
6	Ontario.....	688	736	752	800	825	782
7	Manitoba	101	109	114	120	129	123
8	Saskatchewan	89	104	112	114	117	111
9	Alberta.....	135	155	162	177	176	165
10	British Columbia	224	250	246	265	265	249
11	Yukon and Northwest Territories	3	2	2	2	2	2
12	Canada.....	1, 791	1, 965	2, 008	2, 125	2, 218	2, 105

**TABLE 34. Interest, Dividends, and Net Rental Income of Persons,
Geographical Distribution, 1955 - 60**

Line No.		1955	1956	1957	1958	1959	1960
		millions of dollars					
1	Newfoundland	17	18	18	19	21	22
2	Prince Edward Island	6	6	6	6	7	7
3	Nova Scotia	46	48	54	55	61	63
4	New Brunswick	33	34	39	41	45	48
5	Quebec	439	446	514	533	588	614
6	Ontario	828	850	966	1,055	1,186	1,257
7	Manitoba	86	94	99	107	119	125
8	Saskatchewan	78	83	72	76	84	96
9	Alberta	122	129	137	150	167	175
10	British Columbia	184	199	235	245	280	288
11	Yukon and Northwest Territories	1	1	1	1	1	1
12	Canada	1,840	1,908	2,141	2,288	2,559	2,696

**TABLE 35. Government Transfer Payments, Excluding Interest, Geographical Distribution,
1955 - 60**

Line No.		1955	1956	1957	1958	1959	1960
		millions of dollars					
1	Newfoundland	42	47	50	67	68	73
2	Prince Edward Island	11	11	12	16	16	20
3	Nova Scotia	72	73	85	105	116	124
4	New Brunswick	59	62	77	91	95	109
5	Quebec	467	483	555	707	679	772
6	Ontario	541	549	655	818	949	1,039
7	Manitoba	90	89	100	143	145	167
8	Saskatchewan	121	105	117	169	157	198
9	Alberta	118	121	152	204	200	244
10	British Columbia	214	224	270	330	330	367
11	Yukon and Northwest Territories	1	1	2	2	2	2
12	Foreign Countries	1	1	1	1	1	1
13	Canada	1,737	1,766	2,076	2,653	2,758	3,116

SECTION D

GOVERNMENT SUPPLEMENTARY TABLES

TABLE 36. Government Revenue and Expenditure, by Level of Government, 1955 - 60¹
Revenue

Line No.		1955	1956	1957	1958	1959	1960
		millions of dollars					
1	Direct taxes — Persons	1,499	1,732	1,917	1,788	2,083	2,358
2	Federal	1,325	1,550	1,723	1,581	1,770	2,016
3	Provincial	159	165	176	188	293	322
4	Municipal	15	17	18	19	20	20
5	Direct taxes — Corporations	1,272	1,413	1,337	1,300	1,541	1,449
6	Federal ²	1,210	1,334	1,132	1,064	1,280	1,160
7	Provincial	62	79	205	236	261	289
	Withholding taxes:						
8	Federal	67	69	83	48	72	77
9	Indirect taxes	3,319	3,759	3,977	4,028	4,442	4,623
10	Federal	1,744	1,972	1,990	1,912	2,131	2,181
11	Provincial	739	846	937	963	1,046	1,075
12	Municipal	836	941	1,050	1,153	1,265	1,367
13	Investment income	753	834	849	937	993	1,060
14	Federal	267	296	276	325	339	354
15	Provincial	309	346	367	390	412	444
16	Municipal	177	192	206	222	242	262
17	Employer and employee contributions to social insurance and government pension funds	476	532	590	615	649	739
18	Federal	324	357	384	391	413	492
19	Provincial	140	162	192	202	214	224
20	Municipal	12	13	14	22	22	23
21	Transfers from other levels of government	799	865	1,001	1,224	1,515	1,709
22	Provinces — From Canada	443	476	505	640	853	964
23	From municipalities	22	18	28	19	24	17
24	Municipalities — From Canada	7	9	16	22	20	27
25	From provinces	327	362	452	543	618	701
26	Total revenue	8,185	9,204	9,754	9,940	11,295	12,015
27	Federal	4,937	5,578	5,588	5,321	6,005	6,280
28	Provincial	1,874	2,092	2,410	2,638	3,103	3,335
29	Municipal	1,374	1,534	1,756	1,981	2,187	2,400

¹ For total government revenue and expenditure excluding inter-governmental transfers, see Tables 9 and 10.

² For details of tax collections and tax liabilities, see Table 50.

TABLE 37. Government Revenue and Expenditure, by Level of Government, 1955-60¹
Expenditure

Line No.		1955	1956	1957	1958	1959	1960
		millions of dollars					
1	Goods and services	4,792	5,386	5,722	6,173	6,416	6,716
2	Federal ²	2,510	2,683	2,728	2,854	2,832	2,739
3	Provincial	846	1,041	1,128	1,217	1,315	1,487
4	Municipal	1,436	1,662	1,866	2,102	2,269	2,490
5	Transfer payments to persons (excluding interest on the public debt)	1,737	1,766	2,076	2,653	2,758	3,116
6	Federal	1,232	1,224	1,463	1,904	1,795	1,983
7	Provincial	463	500	564	689	897	1,061
8	Municipal	42	42	49	60	66	72
9	Interest on the public debt	669	714	739	781	944	1,049
10	Federal	494	524	519	544	678	756
11	Provincial	97	105	114	118	129	143
12	Municipal	78	85	106	119	137	150
13	Subsidies	82	123	116	139	198	234
14	Federal	75	118	108	132	189	222
15	Provincial	7	5	8	7	9	12
16	Transfers to other levels of governments	799	865	1,001	1,224	1,515	1,709
17	Canada - To provinces	443	476	505	640	853	964
18	To municipalities	7	9	16	22	20	27
19	Provinces - To municipalities	327	362	452	543	618	701
20	Municipalities - To provinces	22	18	28	19	24	17
21	Total expenditure	8,079	8,854	9,654	10,970	11,831	12,824
22	Federal	4,761	5,034	5,339	6,096	6,367	6,691
23	Provincial	1,740	2,013	2,266	2,574	2,968	3,404
24	Municipal	1,578	1,807	2,049	2,300	2,496	2,729
25	Deficit (-) or surplus (+)	106	350	100	-1,030	-536	-809
26	Federal ³	176	544	249	- 775	-362	-411
27	Provincial	134	79	144	64	135	- 69
28	Municipal	-204	-273	-293	- 319	-309	-329
29	Total expenditure minus deficit (or plus surplus)	8,185	9,204	9,754	9,940	11,295	12,015
30	Federal	4,937	5,578	5,588	5,321	6,005	6,280
31	Provincial	1,874	2,092	2,410	2,638	3,103	3,335
32	Municipal	1,374	1,534	1,756	1,981	2,187	2,400

¹ For total government revenue and expenditure excluding inter-governmental transfers, see Tables 9 and 10.

² Defence expenditures included in these figures are as follows: 1955, \$1,760 million; 1956, \$1,802 million; 1957, \$1,765 million; 1958, \$1,661 million; 1959, \$1,560 million; 1960, \$1,561 million.

³ For the difference between this item and the conventional budgetary surplus or deficit, see reconciliation, Table 53.

TABLE 38. Direct Taxes - Persons, 1955-60

Line No.		1955	1956	1957	1958	1959	1960
		millions of dollars					
	Federal:						
1	Income	1,269	1,461	1,652	1,509	1,692	1,917
2	Succession duties	55	88	69	70	76	97
3	Miscellaneous	1	1	2	2	2	2
4	Totals	1,325	1,550	1,723	1,581	1,770	2,016
	Provincial:						
5	Income	28	35	41	45	52	60
6	Motor vehicle licences and permits ¹	36	47	50	51	58	64
7	Succession duties	72	58	57	56	54	61
8	Hospital Insurance	9	7	10	17	109	116
9	Miscellaneous	14	18	18	19	20	21
10	Totals	159	165	176	188	293	322
	Municipal:						
11	Miscellaneous	15	17	18	19	20	20
12	Grand totals	1,499	1,732	1,917	1,788	2,083	2,358

¹ Personal share only. The business share is treated as an indirect tax.

TABLE 39. Direct Taxes — Corporations, 1955-60

Line No.		1955	1956	1957	1958	1959	1960
		millions of dollars					
	Federal:						
1	Income	1,210	1,334	1,132	1,064	1,280	1,160
	Provincial:						
2	Income	51	63	184	214	244	263
3	Tax on mining and logging profits	11	16	21	22	17	26
4	Totals	62	79	205	236	261	289
5	Grand totals	1,272	1,413	1,337	1,300	1,541	1,449

TABLE 40. Indirect Taxes, 1955-60

Line No.		1955	1956	1957	1958	1959	1960
		millions of dollars					
	Federal:						
1	Banks and insurance companies	14	15	17	—	—	—
2	Customs import duties	452	545	523	478	520	515
3	Excise duties	242	267	287	313	332	345
4	Excise taxes	1,028	1,131	1,150	1,107	1,255	1,304
5	Miscellaneous	8	14	13	14	24	17
6	Totals	1,744	1,972	1,990	1,912	2,131	2,181
	Provincial:						
7	Amusement	21	21	21	22	22	23
8	Corporation tax (not on profits)	18	22	24	26	28	31
9	Gasoline	261	290	339	355	379	395
10	Licences, fees, and permits	24	25	26	26	31	30
11	Motor vehicle licences and permits ¹	61	78	78	87	89	101
12	Miscellaneous taxes on natural resources	104	119	125	117	134	128
13	Real property	9	8	8	8	8	8
14	Retail sales tax (including liquor and tobacco)	158	191	204	203	227	233
15	Miscellaneous	83	92	112	119	128	126
16	Totals	739	846	937	963	1,046	1,075
	Municipal:						
17	Amusement	2	2	2	2	2	2
18	Licences, fees, and permits	26	27	29	31	32	32
19	Real property	682	765	861	940	1,033	1,115
20	Retail sales tax	44	52	53	59	65	72
21	Miscellaneous	82	95	105	121	133	146
22	Totals	836	941	1,050	1,153	1,265	1,367
23	Grand totals	3,319	3,759	3,977	4,028	4,442	4,623

¹ Business share only. The personal share is treated as a direct tax.

TABLE 41. Government Investment Income, 1955 - 60

Line No.		1955	1956	1957	1958	1959	1960
		millions of dollars					
	Federal:						
1	Interest on government-held public funds	68	77	86	101	107	108
2	Interest on loans, advances and investments	60	55	63	102	120	124
3	Profits (net of losses) of government business enterprises	139	164	127	122	112	122
4	Totals	267	296	276	323	339	354
	Provincial:						
5	Interest on government-held public funds	38	41	47	53	60	66
6	Interest on loans, advances and investments	43	53	60	67	77	86
7	Profits (net of losses) of government business enterprises	228	252	260	270	275	292
8	Totals	309	346	367	390	412	444
	Municipal:						
9	Interest on government-held public funds	8	9	9	10	12	13
10	Interest on loans, advances and investments	21	23	28	30	36	41
11	Profits (net of losses) of government business enterprises	148	160	169	182	194	208
12	Totals	177	192	206	222	242	262
13	Grand totals	753	834	849	937	993	1,060

TABLE 42. Employer and Employee Contributions to Social Insurance and Government Pension Funds, 1955 - 60

Line No.		1955	1956	1957	1958	1959	1960
		millions of dollars					
	Federal:						
1	Public service pensions	159	173	193	206	209	214
2	Unemployment insurance	165	184	191	185	204	278
3	Totals	324	357	384	391	413	492
	Provincial:						
4	Public service pensions	49	54	66	78	90	100
5	Workmen's compensation	77	90	106	104	104	104
6	Industrial employees' vacations	14	18	20	20	20	20
7	Totals	140	162	192	202	214	224
	Municipal:						
8	Public service pensions	12	13	14	22	22	23
9	Grand totals	476	532	590	615	649	739

TABLE 43. Government Expenditure on Goods and Services, 1955-60

Line No.		1955	1956	1957	1958	1959	1960
		millions of dollars					
	Federal:						
1	Wages, salaries, and supplementary labour income	664	736	810	871	906	958
2	Military pay and allowances	394	424	476	491	496	509
3	Other purchases of goods and services	1,452	1,523	1,442	1,492	1,430	1,272
4	Totals¹	2,510	2,683	2,728	2,854	2,832	2,739
	Provincial:						
5	Wages, salaries, and supplementary labour income	350	390	437	503	551	591
6	Other purchases of goods and services	496	651	691	714	764	896
7	Totals¹	846	1,041	1,128	1,217	1,315	1,487
	Municipal:						
8	Wages, salaries, and supplementary labour income	668	745	841	962	1,112	1,232
9	Other purchases of goods and services	768	917	1,025	1,140	1,157	1,258
10	Totals¹	1,436	1,662	1,866	2,102	2,269	2,490
11	Grand totals	4,792	5,386	5,722	6,173	6,416	6,716

¹ Include fixed capital formation by governments. The major portion of this fixed capital formation is in "other purchases of goods and services". A small portion of the total fixed capital formation is also in the line called "wages, salaries, and supplementary labour income" for work done by the governments' own work force. Fixed capital formation by levels of government is shown below:

	1955	1956	1957	1958	1959	1960
	millions of dollars					
Federal	297	379	365	360	407	378
Provincial	351	460	535	518	568	601
Municipal	386	421	482	511	548	609
Totals	1,034	1,260	1,382	1,389	1,523	1,588

TABLE 44. Government Transfer Payments Including Interest, 1955-60

Line No.		1955	1956	1957	1958	1959	1960
		millions of dollars					
	Federal:						
1	Family allowances	378	394	423	470	487	502
2	Re-establishment credits	4	3	2	2	2	3
3	Rehabilitation benefits	2	1	1	1	1	1
4	Pensions World Wars I and II ¹	119	119	128	137	137	136
5	War veterans' allowances	39	44	49	59	62	64
6	Unemployment insurance benefits	229	210	305	492	406	482
7	Prairie farm assistance act	33	5	2	21	21	25
8	Pensions to government employees	38	42	46	50	56	62
9	Interest on the public debt	494	524	519	544	678	756
10	Old age security fund payments	363	376	433	555	571	587
11	Payments to western grain producers				39	2	40
12	Grants to universities	27	30	28	30	—	29
13	Assistance to immigrants				14	9	2
14	Miscellaneous				32	39	48
15	Totals	1,726	1,748	1,982	2,448	2,473	2,739
	Provincial:						
16	Direct relief	17	20	18	24	28	40
17	Workmen's compensation benefits	62	70	76	80	85	86
18	Old age and blind pensions	57	60	64	79	79	88
19	Mothers' and disabled persons allowances	33	37	48	68	73	80
20	Pensions to government employees	23	25	28	31	34	37
21	Grants to private non-commercial institutions	248	264	290	366	561	680
22	Interest on the public debt	97	105	114	118	129	143
23	Miscellaneous	23	24	40	41	37	50
24	Totals	560	605	678	807	1,026	1,204
	Municipal:						
25	Direct relief	18	19	23	31	40	43
26	Pensions to government employees	7	7	6	10	7	9
27	Grants to private non-commercial institutions	17	16	20	19	19	20
28	Interest on the public debt	78	85	106	119	137	150
29	Totals	120	127	155	179	203	222
30	Grand totals	2,406	2,480	2,815	3,434	3,702	4,165

¹ Excludes pensions paid to non-residents, which are treated as government expenditure on goods and services. The amounts in the terminal years 1955 and 1960 were \$12 million and \$13 million, respectively.

TABLE 45. Subsidies, 1955 - 60

Line No.		1955	1956	1957	1958	1959	1960
		millions of dollars					
	Federal:						
	Agricultural:						
1	Feed freight assistance, western grain	16	17	17	19	22	20
2	Hog premiums	6	6	6	6	8	7
3	Agricultural commodities stabilization board loss	6	5	6	15	58	65
4	Assistance re storage costs on grain	—	44	32	37	42	46
5	Miscellaneous	2	1	2	4	2	3
6	Totals	30	73	63	81	132	141
	Other subsidies:						
7	Emergency gold mines assistance	11	9	9	10	13	12
8	Maritime Freight Rates Act	11	12	12	15	14	14
9	Movement of coal	11	9	9	9	13	17
10	Miscellaneous	12	15	15	17	17	38
11	Total other	45	45	45	51	57	81
12	Total federal subsidies	75	118	108	132	189	222
13	Total provincial subsidies	7	5	8	7	9	12
14	Grand totals	82	123	116	139	198	234

TABLE 46. Transfers to Other Levels of Government, 1955 - 60

Line No.		1955	1956	1957	1958	1959	1960
		millions of dollars					
	Federal:						
	To provinces:						
1	Old age and blind pensions	21	24	24	34	35	35
2	Disabled persons allowances	4	7	9	15	16	16
3	Statutory grants	20	20	21	21	21	21
4	Taxation agreements ¹	329	359	362	421	464	507
5	Health grants to provinces	34	34	33	39	52	47
6	Trans-Canada highway	20	17	38	55	50	51
7	Government contribution under the Hospital Insurance and Diagnostic Services Act	—	—	—	17	130	171
8	Unemployment assistance	—	4	6	18	31	48
9	Other	15	11	12	20	54	68
10	Sub-totals	443	476	505	640	853	964
	To municipalities:						
11	Payments to municipalities	7	9	16	22	20	27
12	Totals	450	485	521	662	873	991
	Provincial:						
13	To municipalities	327	362	452	543	618	701
	Municipal:						
14	To provinces	22	18	28	19	24	17
15	Grand totals	799	865	1,001	1,224	1,515	1,709

¹ These data are after deduction of refunds to the federal government by the provinces on account of Succession duty credits pursuant to the Tax Rental Agreements Act. These amounted to, in 1958 \$4 million, 1959 \$12 million and in 1960 \$3 million.

SECTION E

MISCELLANEOUS TABLES

TABLE 47. Personal Expenditure on Consumer Goods and Services, 1955-60

Line No.		1955	1956	1957	1958	1959	1960
millions of dollars							
1	Food	4,236	4,571	4,951	5,236	5,470	5,632
2	Tobacco and alcoholic beverages	1,181	1,278	1,370	1,447	1,548	1,615
3	Tobacco products and smokers' accessories	480	527	570	628	690	729
4	Alcoholic beverages	701	751	800	819	858	886
5	Clothing and personal furnishings	1,900	2,037	2,098	2,179	2,262	2,320
6	Men's and boys' clothing	430	463	470	482	500	508
7	Women's and children's clothing	808	871	898	933	967	986
8	Footwear	231	242	252	269	284	297
9	Laundry and dry cleaning	142	156	166	172	180	195
10	Other	289	305	312	323	331	334
11	Shelter ¹	2,454	2,621	2,906	3,166	3,451	3,634
12	Gross rents paid by tenants	694	729	797	858	923	977
13	Expenses (taxes, insurance, etc.) paid by owner-occupants	788	911	1,038	1,156	1,283	1,415
14	Net imputed residential rent and imputed residential capital consumption allowances	770	760	839	913	997	996
15	Other	202	221	232	239	248	246
16	Household operation	2,272	2,509	2,593	2,702	2,880	2,900
17	Fuel	358	415	425	423	442	425
18	Electricity	212	235	257	279	307	332
19	Gas	47	52	60	72	93	108
20	Telephone	188	221	241	257	285	310
21	Furniture	284	315	307	310	324	308
22	Home furnishings	224	245	251	259	275	274
23	Appliances, radios and television sets	460	491	489	494	512	491
24	Other	499	535	563	608	642	652
25	Transportation	2,023	2,211	2,346	2,512	2,714	2,768
26	Street-car, railway and other fares	317	338	368	378	402	412
27	New automobiles, used automobiles (net) and house trailers	1,018	1,090	1,092	1,130	1,235	1,279
28	Automotive operating expenses	688	783	886	1,004	1,077	1,077
29	Personal and medical care and death expenses	1,166	1,316	1,437	1,611	1,757	1,880
30	Medical and dental care	240	280	306	346	370	381
31	Hospital care, private duty nursing, accident and sickness insurance, prepaid medical care	440	490	546	626	708	796
32	Other	486	546	585	639	679	703
33	Miscellaneous	2,157	2,290	2,371	2,387	2,400	2,660
34	Motion picture theatres ²	86	81	77	75	68	66
35	Newspapers and magazines	182	184	196	212	226	233
36	Net expenditure abroad	156	204	204	236	253	259
37	Other	1,733	1,821	1,894	1,864	1,853	2,102
38	Grand totals	17,389	18,833	20,072	21,240	22,482	23,409
39	Durable goods	2,245	2,431	2,430	2,499	2,680	2,687
40	Major durable goods ³	1,986	2,142	2,139	2,194	2,346	2,352
41	Miscellaneous durable goods ⁴	259	289	291	305	334	335
42	Non-durable goods ⁵	9,065	9,736	10,402	10,878	11,315	11,783
43	Services ^{5,6}	6,079	6,666	7,240	7,863	8,487	8,939

¹ Excludes transients' shelter.² Excludes amusement taxes.³ Includes house trailers, new automobiles, net expenditure on used automobiles, home furnishings, furniture and appliances, radios and television sets.⁴ Includes jewellery, watches, clocks, silverware, toys, sporting and wheeled goods, and tools and garden equipment.⁵ Beginning with the year 1955, the classification of the items electricity and gas (items 18 and 19 above) was changed from services to non-durable goods.⁶ Includes net expenditure abroad.

TABLE 48. Personal Expenditure on Consumer Goods and Services in Constant (1949) Dollars, 1955 - 60

Line No.		1955	1956	1957	1958	1959	1960
		millions of dollars					
1	Food	3,785	4,023	4,170	4,284	4,505	4,600
2	Tobacco and alcoholic beverages	1,109	1,198	1,265	1,328	1,371	1,409
3	Clothing and personal furnishings	1,744	1,855	1,904	1,953	2,021	2,051
4	Shelter	1,645	1,710	1,816	1,926	2,053	2,123
5	Household operation ^{1,2}	1,966	2,169	2,211	2,278	2,405	2,424
6	Transportation	1,817	1,928	1,929	2,041	2,159	2,192
7	Personal and medical care and death expenses	883	968	1,001	1,072	1,128	1,173
8	Miscellaneous	1,713	1,752	1,762	1,686	1,639	1,802
9	Grand totals	14,662	15,603	16,058	16,568	17,281	17,774
10	Durable goods	2,066	2,209	2,126	2,157	2,273	2,289
11	Non-durable goods ^{1,2}	8,187	8,705	9,047	9,288	9,632	9,957
12	Services ^{1,2,3}	4,409	4,689	4,885	5,123	5,376	5,528

¹ Personal expenditure on electricity and gas in constant (1949) dollars were as follows:

1955	1956	1957	1958	1959	1960
millions of dollars					
224	251	279	308	350	381

² See footnote 5, Table 47.

³ Includes net expenditure abroad.

TABLE 49. Imputed Items Included in Gross National Expenditure, 1955 - 60¹

Line No.		1955	1956	1957	1958	1959	1960
		millions of dollars					
	Expenditure on consumer goods and services:						
	Food:						
1	Farm consumed farm produce	179	170	168	173	170	170
2	Other ²	95	103	107	101	104	109
	Shelter:						
3	Imputed net residential rent and imputed residential capital consumption allowances	770	760	839	913	997	996
4	Imputed lodging, non-residential ³	29	33	38	38	38	40
5	Other ⁴	153	159	178	184	191	200
6	Total of imputed items in consumer expenditure	1,226	1,225	1,330	1,409	1,500	1,515
	Government expenditure on goods and services:						
7	Imputed gross rent on government-owned buildings	168	181	194	207	220	235
8	Total of imputed items	1,394	1,406	1,524	1,616	1,720	1,750

¹ All these items are also included in the various components of Gross National Product.

² Includes food issued to members of the armed forces and to employees in lieu of wages.

³ Lodging in bunk houses, ships, hotels, etc., furnished to employees in lieu of wages.

⁴ Includes clothing issued to the armed forces, wood fuel cut and used on farms, and estimated services rendered by banks without specific charge.

TABLE 50. Analysis of Corporation Profits, 1955 - 60

Line No.		1955	1956	1957	1958	1959	1960
millions of dollars							
1	Corporation profits before taxes ¹	2,570	2,908	2,581	2,518	2,907	2,735
2	Add: Dividends paid to non-residents	395	437	475	470	494	465
3	Corporation profits including dividends paid to non-residents	2,965	3,345	3,056	2,988	3,401	3,200
4	Deduct: Corporation income tax liabilities ²	-1,272	-1,413	-1,337	-1,300	-1,541	-1,449
5	Excess of tax liabilities over collections	163	40	- 213	- 36	101	- 223
6	Tax collections	1,109	1,373	1,550	1,336	1,440	1,672
7	Corporation profits after taxes	1,693	1,932	1,719	1,688	1,860	1,751
8	Deduct: Dividends paid to non-residents	- 395	- 437	- 475	- 470	- 494	- 465
9	Corporation profits retained in Canada	1,298	1,495	1,244	1,218	1,366	1,286
10	Deduct: Dividends paid to Canadian persons	- 307	- 330	- 354	- 368	- 403	- 422
11	Charitable contributions from corporations	- 29	- 34	- 36	- 38	- 40	- 40
12	Undistributed corporation profits	962	1,131	854	812	923	824

¹ Line 1 is identical with the total shown in Table 1 and represents corporation profits before taxes on a national concept basis. As dividends paid to non-residents — which must be excluded on a national concept basis — are really a distribution of profits, it is necessary to add them back to arrive at a figure of total profits as such — line 3. Lines 4 to 12 provide an analytical breakdown of line 3. For an industrial distribution of total profits (line 3) see Table 27.

² Includes elective tax on undistributed income of \$8 million in 1955.

TABLE 51. Capital Consumption Allowances and Miscellaneous Valuation Adjustments by "Form of Organization", 1955 - 60

Line No.		1955	1956	1957	1958	1959	1960
millions of dollars							
1	Corporations	1,733	1,976	2,242	2,120	2,254	2,330
2	Individuals and unincorporated business	1,281	1,366	1,431	1,457	1,497	1,539
3	Government business enterprises	252	300	336	353	392	422
4	Capital consumption allowances and miscellaneous valuation adjustments ¹	3,266	3,642	4,009	3,930	4,143	4,291

¹ Including net bad debt allowances (charges less recoveries) as follows:

1955	1956	1957	1958	1959	1960
millions of dollars					
40	41	43	46	48	49

SECTION F

RECONCILIATION STATEMENTS

TABLE 52. Accrued Net Income of Farm Operators from Farm Production, 1955 - 60
Reconciliation Statement

Line No.		1955	1956	1957	1958	1959	1960
millions of dollars							
1	Net income of farm operators from farming operations¹	1, 290	1, 458	1, 058	1, 338	1, 206	1, 352
2	Deduct: Amounts included in investment income ²	-45	-46	-47	-53	-54	-53
3	Deduct: Transfer payments under Prairie Farm Assistance Act payments to western grain producers ³ and payments under the Federal-Provincial un-threshed grain assistance policy	-33	- 5	- 2	-60	-22	-77
4	Other adjustments ⁴	-12	23	17	-27	6	-21
5	Equals: Net income received by farm operators from farm production	1, 200	1, 430	1, 026	1, 198	1, 136	1, 201
6	Adjustment on grain transactions ⁵	64	20	-	- 1	- 4	6
7	Accrued net income of farm operators from farm production⁶	1, 264	1, 450	1, 026	1, 197	1, 132	1, 207

¹ These figures are published by the Agriculture Division, Dominion Bureau of Statistics.

² This item includes corporation profits in agriculture and imputed net rent of owner-occupied houses.

³ These items are deducted since transfer payments are excluded from Net National Income at factor cost.

⁴ These adjustments consist of an estimate of net income of farm operators from farming operations in Newfoundland and an adjustment for the difference in the valuation of the physical change in inventories. The Agriculture Division values the change in the quantity of farm held grain at average annual prices, whereas the National Accounts estimates value this quantity change each quarter in terms of average quarterly prices. In addition, revisions have been made which have not yet been incorporated by the Agriculture Division.

⁵ Since the National Income measures earnings arising out of current production rather than receipts of income, it is appropriate to include in Table 1 income accruing to farm operators from farm production rather than income received. Accordingly, an adjustment has been made to take account of the accrued earnings of farm operators arising out of the operations of the Canadian Wheat Board.

⁶ See also line 5, Table 1.

TABLE 53. Federal Government Surplus or Deficit, 1955 - 60
Reconciliation of Federal Government Transactions Related to the National Accounts with
Public Accounts Data, 1955 - 60

Line No.		1955	1956	1957	1958	1959	1960
millions of dollars							
1	Surplus or deficit as per Public Accounts, 1954-55 to 1959-60 ¹	-152	- 33	258	- 38	- 609	- 413
2	Difference between fiscal and calendar year ²	11	305	- 73	- 409	34	75
3	Extra-budgetary receipts, pension and social insurance funds ³	700	790	859	869	1, 017	1, 216
4	Excess of corporation tax accruals over collections	163	40	-213	- 36	101	- 223
5	Revenue items omitted	- 21	- 37	- 68	- 22	- 23	- 17
6	Extra-budgetary expenditures, pension and social insurance funds	-663	-633	-787	-1, 118	-1, 054	-1, 156
7	Reserves, write-offs and similar items charged to expenditures	104	118	247	219	253	62
8	Shipment of previously produced military equipment to NATO (less expenditures of defence equipment replacement account)	- 2	- 22	- 32	- 188	- 36	-
9	Other adjustments	36	16	58	- 52	- 45	45
10	Surplus or deficit as per National Accounts	176	544	249	- 775	- 362	- 411

¹ Source: Public Accounts of the Federal Government.

² It should be noted that the Public Accounts fiscal year figures include only three months of the calendar year in which the fiscal year ends. For example, fiscal year 1956-57 includes only January to March 1957, the balance of the fiscal year being in the calendar year 1956. An adjustment is therefore necessary to the fiscal figures to exclude the nine months which apply to the calendar year 1956, and to include the nine months of the calendar year 1957 not covered by the 1956-57 fiscal year.

³ Includes the portion of the personal income tax, the corporation income tax and the sales tax allocated to the old age security fund.

TABLE 54. Business Gross Fixed Capital Formation, 1955 - 60
Reconciliation Statement

Line No.		1955	1956	1957	1958	1959	1960
		millions of dollars					
1	Total private and public investment in Canada¹	6,244	8,034	8,717	8,364	8,417	8,200
2	Deduct: New residential construction by governments ^{2,3}	- 19	- 21	- 21	- 19	- 18	- 13
3	New non-residential construction by governments ³	-924	-1,137	-1,251	-1,237	-1,368	-1,431
4	New machinery and equipment outlays by governments ³	- 91	- 102	- 110	- 133	- 137	- 144
5	Business gross fixed capital formation	5,210	6,774	7,335	6,975	6,894	6,612

¹ As presented in the publication *Private and Public Investment in Canada, 1946-1957* and *Private and Public Investment, Outlook 1960 and 1961*.

² Excluding residential construction under Veterans' Land Act, construction of veterans' rental housing by Central Mortgage and Housing Corporation and joint federal-provincial housing (Section 36, National Housing Act), which are included in line 5.

³ Included in "government fixed capital formation", line 4, Table 2.

TABLE 55. Exports and Imports of Goods and Services, 1955 - 60¹
Reconciliation Statement

Line No.		1955	1956	1957	1958	1959	1960
		millions of dollars					
Exports of goods and services:							
1	Merchandise exports	4,332	4,837	4,894	4,887	5,149	5,400
2	Gold production available for export	155	150	147	160	148	161
3	Interest and dividends received from non-residents	160	142	154	168	183	175
4	Other receipts from services rendered to non-residents	1,425	1,492	1,427	1,364	1,368	1,366
5	Sub-total: "Current receipts" as per <i>Canadian Balance of International Payments</i>	6,072	6,621	6,622	6,579	6,848	7,102
6	Adjustments - Mutual aid to NATO countries	-222	-157	-107	-142	- 63	- 43
7	Inheritances and immigrants' funds	- 86	- 99	-124	- 97	-109	-102
8	Total "exports of goods and services" as per National Accounts²	5,764	6,365	6,391	6,340	6,676	6,957
Imports of goods and services:							
9	Merchandise imports	4,543	5,565	5,488	5,066	5,572	5,548
10	Interest and dividends paid to non-residents	483	523	589	612	657	655
11	Other payments for services rendered by non-residents	1,744	1,899	2,000	2,032	2,113	2,169
12	Sub-total: "Current payments" as per <i>Canadian Balance of International Payments</i>	6,770	7,987	8,077	7,710	8,342	8,372
13	Adjustments - Mutual aid to NATO countries	-222	-157	-107	-142	- 63	- 43
14	Inheritances and emigrants' funds	-105	-115	-157	-145	-164	-181
15	Total "imports of goods and services" as per National Accounts²	6,443	7,715	7,813	7,423	8,115	8,148

¹ Data sources are reports on the *Canadian Balance of International Payments* (Balance of Payments Section, Dominion Bureau of Statistics) and other information received from the Balance of Payments Section. Figures include mutual aid to NATO countries.

² See also Table 2.

APPENDIX

TABLE I. Population of Canada, by Provinces, 1955 - 60

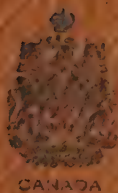
Estimated as of June 1 for Intercensal Years

Line No.		1955	1956	1957	1958	1959	1960
		thousands					
1	Newfoundland	406	415	426	438	449	459
2	Prince Edward Island	100	99	99	100	102	103
3	Nova Scotia	683	695	702	710	716	723
4	New Brunswick	547	555	565	577	590	600
5	Quebec	4,517	4,628	4,758	4,884	4,999	5,106
6	Ontario	5,266	5,405	5,622	5,803	5,952	6,089
7	Manitoba	839	850	860	870	885	899
8	Saskatchewan	878	881	879	888	902	910
9	Alberta	1,091	1,123	1,160	1,201	1,243	1,283
10	British Columbia	1,342	1,399	1,487	1,544	1,570	1,606
11	Yukon	11	12	12	13	13	14
12	Northwest Territories	18	19	19	20	21	22
13	Canada	15,698	16,081	16,589	17,048	17,442	17,814

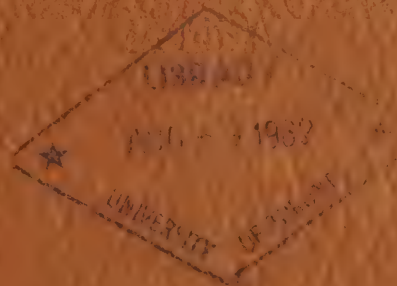
TABLE II. The Civilian Labour Force, 1955 - 60¹

Line No.		1955	1956	1957	1958	1959	1960
		thousands					
1	Civilian non-institutional population, 14 years of age and over	10,597	10,805	11,108	11,357	11,562	11,789
	Civilian labour force:						
	Employed:						
2	Non-agricultural	4,546	4,809	4,981	4,983	5,163	5,280
3	Agricultural	819	776	744	712	692	675
4	Total employed	5,364	5,585	5,725	5,695	5,856	5,955
5	Unemployed	245	197	278	432	373	448
6	Total civilian labour force	5,610	5,782	6,003	6,127	6,228	6,403

¹ Incorporates new definitions of "Employed" and "Unemployed". For earlier years see 71-001 *The Labour Force* (Special Surveys Division, Dominion Bureau of Statistics).



NATIONAL ACCOUNTS
INCOME AND EXPENDITURE
1961



DOMINION BUREAU OF STATISTICS

National Accounts and Balance of
Payments Division



DOMINION BUREAU OF STATISTICS
National Accounts and Balance of
Payments Division

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NATIONAL ACCOUNTS
INCOME AND EXPENDITURE

1961

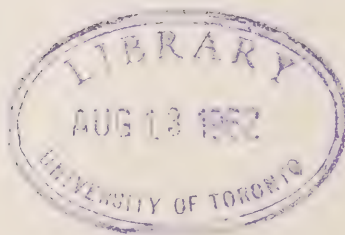
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May, 1962.



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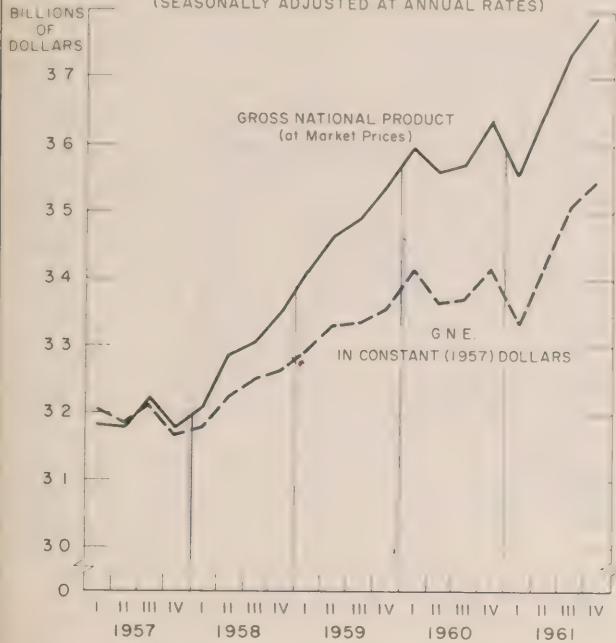
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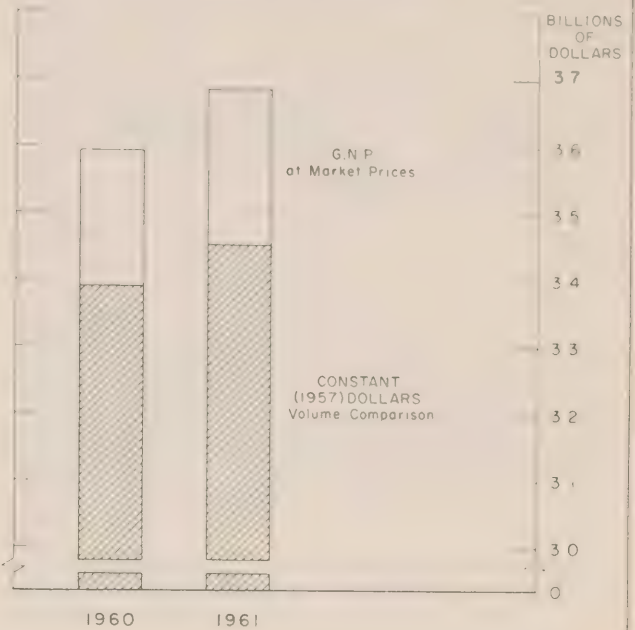
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THE ADVANCE IN G.N.P., WHICH WAS INTERRUPTED IN 1960, WAS RESUMED IN 1961. BY YEAR-END, THE VOLUME OF PRODUCTION WAS RUNNING AT A RATE ABOUT 4 PER CENT ABOVE THE PEAK OF THE LAST BUSINESS CYCLE EXPANSION

(SEASONALLY ADJUSTED AT ANNUAL RATES)



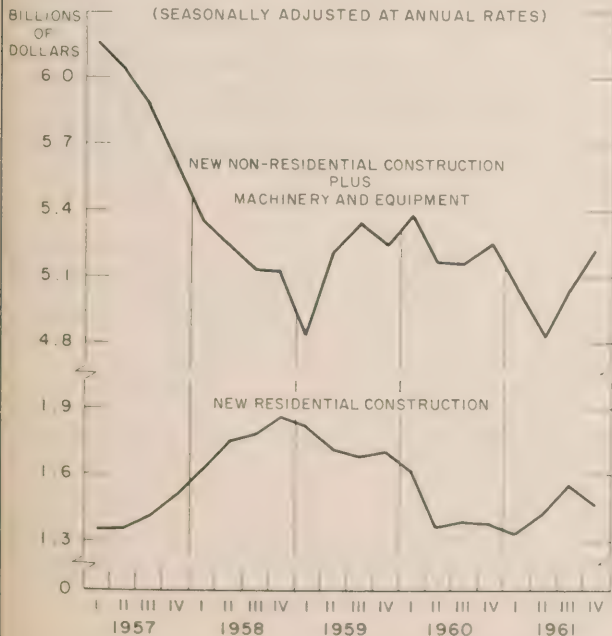
TAKING THE YEAR 1961 AS A WHOLE, THE INCREASE IN G.N.P. AMOUNTED TO 3 PER CENT BY VALUE, WITH THE INCREASE IN THE VOLUME OF OUTPUT AVERAGING ABOUT 2 PER CENT ABOVE THE FULL YEAR 1960



BUSINESS OUTLAYS FOR PLANT AND EQUIPMENT TURNED UPWARD IN THE LAST HALF OF 1961, FOLLOWING A TWO-QUARTER DECLINE.

OUTLAYS FOR NEW HOUSING MOVED IRREGULARLY IN 1961, AND FOR THE YEAR AS A WHOLE REMAINED CLOSE TO THE 1960 LEVEL

(SEASONALLY ADJUSTED AT ANNUAL RATES)

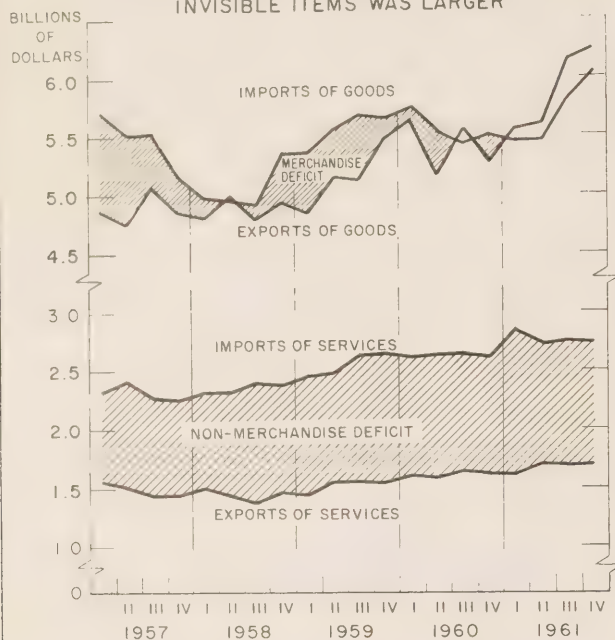


NON-FARM BUSINESS INVENTORIES WERE ACCUMULATING AT A MODERATE RATE THROUGHOUT MOST OF 1961, WITH A MORE PRONOUNCED BUILD-UP OCCURRING IN THE FINAL QUARTER OF THE YEAR

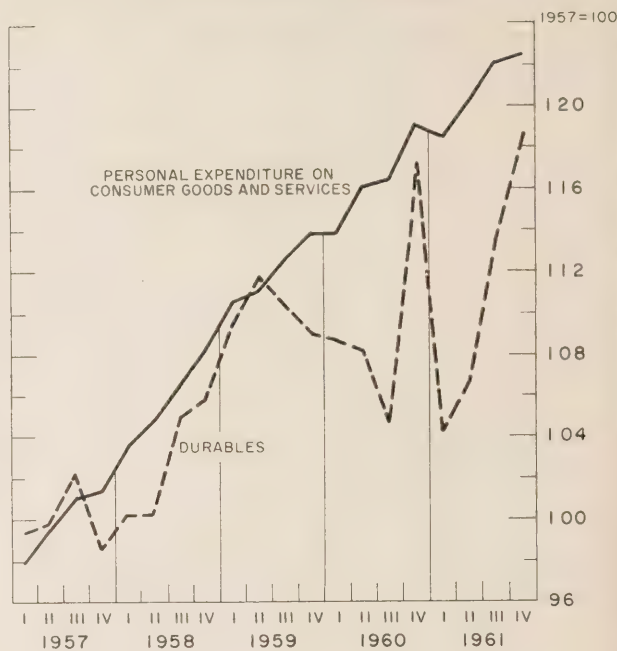
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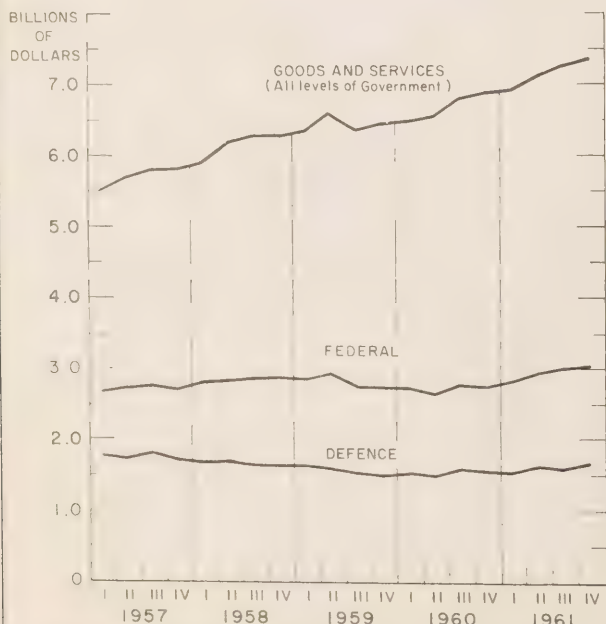
THE TOTAL DEFICIT ON CURRENT ACCOUNT AMOUNTED TO \$0.9 BILLION IN 1961, A REDUCTION FROM THE PREVIOUS YEAR WHICH REFLECTED THE EMERGENCE OF A SURPLUS ON MERCHANDISE TRADE ACCOUNT; HOWEVER, THE DEFICIT ON INVISIBLE ITEMS WAS LARGER



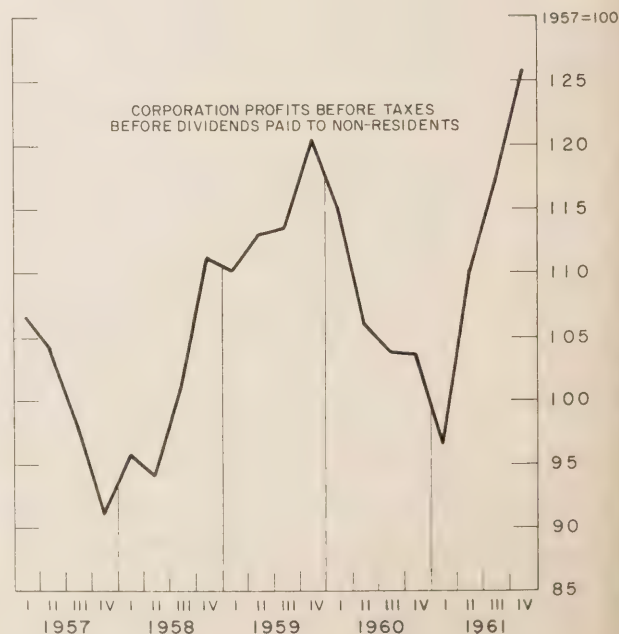
CONSUMER EXPENDITURE FOR GOODS AND SERVICES CONTRIBUTED TO THE STRENGTH OF FINAL DEMAND DURING 1961; CONSUMER OUTLAYS ON DURABLE GOODS WERE PARTICULARLY STRONG IN THE LATTER PART OF THE YEAR



GOVERNMENT OUTLAYS FOR GOODS AND SERVICES CONTINUED TO ADVANCE AT A STEADY RATE, REFLECTING MAINLY RISING EXPENDITURE BY PROVINCIAL AND MUNICIPAL GOVERNMENTS



THE DOWN-TREND IN CORPORATION PROFITS WHICH HAD CHARACTERIZED THE YEAR 1960 WAS SHARPLY REVERSED



IN ALL CHARTS DATA ARE SEASONALLY ADJUSTED AT ANNUAL RATES

INTRODUCTORY REVIEW

The Year 1961—Annual Review

The advance in Gross National Product was resumed in 1961. During the previous year the trend of economic activity had eased as downward tendencies developed in several components of end-product demand. These downward pressures were largely reversed in 1961, and following a weak first quarter, the level of activity moved on a rising trend for the remainder of the year. By the final quarter of 1961, Gross National Product was running at a seasonally adjusted annual rate about 3 per cent above the 1961 annual average in terms of current dollars, and almost 3 per cent higher in terms of the physical volume of production. For the year 1961 as a whole, the Gross National Product amounted to \$36.8 billion, 2.5 per cent above the previous year in value terms, and almost 2 per cent higher in terms of the physical volume of output. The year's economic performance was marred by a poor crop outturn in Western Canada, estimated to have been lower than in the previous year by about \$400 million; this represents a production loss of about 1 per cent on a Gross National Product base of \$36.8 billion.

The upswing in activity in 1961 was characterized by sharply rising exports—to the United

States, where a strong recovery from the 1960 business down-turn was under way—and to Communist China and Eastern Europe where special sales of wheat raised the level of agricultural exports to new levels. The year was also characterized by the reversal of a decline in business outlays for new plant and equipment in the last half of the year. Business inventories, which had been liquidated briefly in 1960, were being accumulated at a modest rate throughout most of 1961; in the fourth quarter of the year, the build-up became more pronounced and added a sizeable element of new strength to the expansion of total demand. Consumer expenditure, following a small but unusual decline in the first quarter of 1961, advanced moderately thereafter, with outlays for consumer durable goods showing a sharp recovery during the course of the year. Government outlays for new goods and services continued to give support to the rising level of total demand throughout 1961. Outlays for new housing showed little pronounced trend during the year, but moved irregularly at a level only slightly above the average for the year 1960 as a whole.

A perspective on these developments in terms of the annual averages for 1960 and 1961 is given in the following table.

Changes in Components of Gross National Expenditure, 1960 to 1961

	Year 1960	Year 1961	Change	Per cent change
	billions of dollars			
Fixed capital formation plus inventories:				
Residential construction	1.4	1.5	—	1.0
Non-residential construction	2.6	2.6	0.1	2.7
Machinery and equipment	2.7	2.4	-0.3	-10.6
Inventories	0.4	-0.2	-0.6	—
(Non-farm business inventories)	(0.3)	(0.2)	(-0.1)	—
Sub-totals	7.1	6.3	-0.8	-11.3
Other purchases:				
Consumer expenditure	23.4	24.3	0.9	3.8
Government expenditure	6.7	7.2	0.5	7.5
Exports	7.0	7.6	0.6	7.9
Sub-totals	37.1	39.1	1.9	5.2
Total final purchases plus inventory investment (total supply)	44.2	45.4	1.2	2.6
Less imports	-8.2	-8.5	-0.3	4.0
Gross National Expenditure (total production)	35.9	36.8	0.8	2.5

Note: Percentage changes are based on unrounded data. Figures will not add by +0.1 or -0.1 due to rounding.

These developments on the demand side in 1961 were accompanied by changes in the direction and magnitude of the income flows. The down-trend in corporation profits which was a prominent feature of 1960 was sharply reversed in 1961, and by the fourth quarter of the year corporation profits were running at a seasonally adjusted annual rate about 30 per cent ahead of the first quarter trough, and 4 per cent above the previous peak in the fourth quarter of 1959. The trend of labour income was more strongly upward in 1961 than in the previous year, with the fourth quarter rate at a level some 6 per cent above the same period twelve months earlier. The revenues of the government sector reflected this rising flow of incomes during 1961, as well as higher levels of imports and sales, with the result that the deficit on consolidated government account was somewhat narrower in the last half of the year.

Production

The increase of close to 2 per cent in the volume of total output in 1961 was mainly attributable to gains in the service industries, where production is estimated to have risen by about 3 per cent. In the goods-producing industries the advance in production was fractional, amounting to only about one-half of 1 per cent. This latter development reflected in part the sharp drop in crop production in 1961, noted earlier, and also a decline in output in the forestry industry. Most other goods-producing industries showed sizeable advances in 1961.

Production of manufactured goods was higher than in the previous year, by 2.0 per cent, with non-durable goods up by 3½ per cent and durables higher by about one-half per cent in terms of the annual averages. However, it may be noted that within the year 1961, the durables group showed a better performance, rising by 12 per cent between January and December, compared with a 7 per cent advance in the non-durables group for the same period. In part, these differences reflect the fact that the decline in durables production during the previous year was much steeper than that which occurred in the non-durable goods group.

All main non-durable manufacturing groups showed gains in 1961, with the exception of the clothing products group, which was unchanged. Gains ranged from 1 per cent in chemicals and in printing and publishing to more than 10 per cent in leather and textile products. Rubber products were higher by 2 per cent, foods and beverages, paper products and petroleum products by 3 per cent, and tobacco products by 6 per cent. Strength in the textile group was particularly widespread, with all components higher, particularly cottons and synthetics.

Changes in the major groups of durables manufacturing were mostly marginal, being of the order of 1 per cent. The one exception was a 4 per cent gain in non-metallic mineral products, which reflected greater activity in the construction-oriented indus-

tries. In spite of a 7 per cent gain in primary steel, the iron and steel product group as a whole was only slightly higher, reflecting declines in agricultural implements and in the bridge and structural steel industry. A decline of 1 per cent took place in total transportation equipment production.

The output of Canadian mines increased by almost 4 per cent in 1961, reflecting for the most part considerably higher crude petroleum and natural gas production. Although metal mining was regaining some of the lost ground toward the end of 1961, the year as a whole was some 7 per cent lower than 1960, associated with the continued decline of uranium production and lower iron ore output; nickel and lead showed strong gains throughout the year. Non-metal mining was 10 per cent higher, reflecting a large increase in asbestos output.

Among the other goods-producing industries, output in the public utilities industry increased by 7 per cent in 1961, and output in the construction industry by 3 per cent.

Within the service industries, all major groups showed advances in 1961, including gains of 5 per cent in transportation, storage and communication, 3 per cent in finance, insurance, and real estate, 2 per cent in trade, and 4 per cent in government service.

The 5 per cent gain in transportation, storage, and communication reflected advances in air transport, water transport, and oil and gas pipelines; the volume of output in urban and suburban passenger services declined further in 1961, while the volume of railway services showed no change.

Within the trade group, sales volume changes were small. The larger increases occurred in the variety, furniture, appliance, and radio stores, while the more notable declines were in the motor vehicle and farm implement trades. The gain in the volume of output in the government service reflected mainly higher employment at the provincial and municipal levels of government.

Employment

These developments in the production of goods and services in 1961 were closely matched by corresponding changes on the employment side. Total employment, like output, rose by 2 per cent over the previous year, implying little change in the rate of output per person employed. The highest rates of gain, approaching 6 per cent in some cases, occurred in the services groups, while employment in the goods-producing industries, with the exception of manufacturing, was lower. The advance of 3 per cent in manufacturing employment in 1961 contrasts with the decline of about 1½ per cent in the previous year. The increases in the manufacturing and service industries more than accounted for the total increase in employment, but there were some offsetting declines in the construction and other primary industries.

In the early months of the year there was a downward movement in the level of employment in the predominantly male-employing manufacturing and construction industries, but by spring this was reversed, and a rising trend emerged for the remainder of the year.

The labour market continued to offer relatively more opportunities for women than for men in 1961 although the disparity was less marked than in 1960. The increase in the number of employed women was

about 5 per cent, whereas the increase in the number of employed men was only one-half of 1 per cent. The narrowing of the difference between 1960 and 1961 reflects mainly the improvement in job opportunities in the more cyclically sensitive manufacturing industries during the course of the past year.

The percentage changes in male, female and total employment by broad industry groups is shown in the following table:

Employment by Industry — All Status Groups

	Average— year 1960	Average— year 1961	Per cent change men	Per cent change women	Per cent change total
	'000's of persons				
Agriculture	675	674	- 1.4	14.0	- 0.1
Other primary industry ¹	206	183	-11.9	²	-11.2
Manufacturing	1,470	1,515	2.8	3.6	3.1
Construction	418	406	- 3.2	9.1	- 2.9
Transportation and other utilities	516	509	- 1.3	—	- 1.4
Trade	981	983	- 0.1	0.6	0.2
Finance, insurance, and real estate	226	239	9.2	1.9	5.8
Government service	372	382	1.7	4.6	2.7
Other service ³	1,091	1,160	4.5	7.7	6.3
Total employed	5,955	6,049	0.4	4.9	1.6
Total employed ex. agriculture	5,280	5,375	0.7	4.5	1.8

¹ Includes forestry, fishing and trapping, mining, quarrying and oil wells.

² Estimates less than 10,000.

³ Includes business, personal, community and public, and recreational services.

Value, Volume, and Price

Price changes were small in 1961. From the fourth quarter of 1960 through to the fourth quarter of 1961, the price of all goods and services as measured by the implicit Gross National Expenditure price deflator is estimated to have risen by only about one-half of 1 per cent. For the year as a whole, the over-all price increase was the smallest for several years, amounting to less than 1 per cent over the average for the full year 1960. The price component of imports of goods and services is estimated to have risen by close to 3 per cent, associated with the exchange rate decline after mid-

year.¹ This development was also reflected in the price component of machinery and equipment investment, which has a high import content. In the consumer sector, there was little change in the price component of total goods sold at retail, but the price of services continued to increase although at a somewhat slower rate than in the recent past. It may be noted that the introduction of a 3 per cent retail sales tax by the Province of Ontario in September is reflected in the relatively small increase in prices at the consumer level in 1961.

¹ Since imports are excluded by definition from Canada's Gross National Product, the increase in import prices which followed the decline in the exchange rate after mid-year is not reflected in the over-all implicit price deflator of Gross National Expenditure.

Per cent Changes — Value, Volume, and Price

	Year 1960 Year 1959			Year 1961 Year 1960		
	Value	Volume	Price ¹	Value	Volume	Price ¹
Personal expenditure	3.9	2.7	1.2	3.8	2.9	0.9
Goods	2.8	2.2	0.5	3.3	3.0	0.2
Services	5.7	3.4	2.2	4.7	2.8	1.8
Government expenditure	3.6	1.4	2.2	7.5	5.6	1.8
Gross fixed capital formation	- 2.9	- 5.0	2.2	- 3.0	- 3.9	0.9
New residential construction	-16.8	-19.0	2.7	1.0	0.5	0.5
New non-residential construction	- 0.5	- 2.8	2.4	2.7	2.3	0.4
New machinery and equipment	3.9	2.0	1.9	-10.6	-12.1	1.7
Exports of goods and services	5.1	4.1	0.9	7.9	6.7	1.2
Total final demand	2.9	1.5	1.3	4.0	2.9	1.0
Imports of goods and services	0.4	- 1.0	1.4	4.0	1.1	2.8
Gross National Expenditure ²	3.3	1.9	1.4	2.5	1.8	0.7

¹ Implicit price indexes.

² Since imports are excluded by definition from Canada's Gross National Product, the increase in import prices which followed the decline in the exchange rate after mid-year is not reflected in the over-all implicit price deflator of Gross National Expenditure.

COMPONENTS OF GROSS NATIONAL EXPENDITURE

Personal Expenditure on Consumer Goods and Services

After a weak first quarter, consumer spending picked up in succeeding quarters and for the year 1961 as a whole reached \$24.3 billion, a gain of 4 per cent over the level of the preceding year. Price increases were again moderate, amounting to less than 1 per cent, so that most of the rise in spending represents an increase in real consumption.

As in the recent past, the strongest rate of growth came from spending on services, which was up almost 5 per cent in 1961. Most of the service categories registered some gains, the sharpest rate of advance being the 9 per cent increase in spending for medical care. Spending for shelter is estimated to have risen by 5 per cent, on transportation by 3 per cent and on personal services by 5 per cent.

Consumer Expenditure

	Per cent change	
	Year 1959 to year 1960	Year 1960 to year 1961
Non-durables	3.5	3.8
Durables	-0.4	1.0
Appliances and radios	-4.5	2.7
Home furnishings and furniture	-2.9	2.1
Autos (new and used)	2.0	0.4
Other	1.4	-1.2
Services	5.7	4.7
Total Personal Expenditure (goods and services)	3.9	3.8

In 1961, as in 1960, purchases of durables showed little change. The increase of 1 per cent compares with the marginal decline recorded in 1960. All the advance in spending was for durables other than automobiles; purchases of cars were

almost unchanged. There were increases in purchasing of the three categories of household durables, home furnishings, appliances and radios and furniture.

These year-to-year comparisons for the durables group conceal a changing trend within the year. A sharp decline in the first quarter, reflecting a drop in automobile purchases, was followed by an upturn in durable buying in the three succeeding quarters of the year. The greatest strength was shown in the third quarter, where outlays for all classes of durable goods were advancing.

Spending for non-durables rose by nearly 4 per cent in 1961. The increases in spending were well distributed over the non-durable categories. Among the larger items were increases in food and clothing of 2 per cent, tobacco and alcoholic beverages of 2½ per cent, fuel of 3 per cent, and household cleaning supplies of 5 per cent.

Personal income in 1961 was higher than in the previous year by a little over 3 per cent; however, an increase of 6 per cent in direct taxes paid by persons reduced the gain in disposable income to just under 3 per cent. This represented a considerably smaller advance than the 4 per cent rise in consumer spending, so that the rate of personal saving declined, from 5.9 per cent of disposable income in 1960, to 5.1 per cent in 1961.

Business Gross Fixed Capital Formation

Business gross fixed capital formation, including housing, was estimated at \$6.5 billion in 1961, a decline of about 3 per cent below the 1960 level. All of the decline was centred in business outlays for plant and equipment, which were lower by about 4 per cent; outlays for new housing were very little changed from the levels of the preceding year. The 4 per cent decline in outlays for plant and equipment reflected a large drop, amounting to 11 per cent, in business investment for new machinery and equipment; non-residential construction expenditures in 1961 were higher than the previous year by close to 3 per cent.

The over-all decline in outlays for plant and equipment in 1961 reflected a considerable falling off in investment activity in the durable manufacturing industries, in transportation, and in trade. The low point in outlays appears to have been

reached in the second quarter, followed by some recovery in the latter part of the year. By the fourth quarter of 1961, the seasonally adjusted rate of plant and equipment investment was running about 4 per cent above the 1961 annual average, although it was 15 per cent below the record peak reached in the first quarter of 1957.

The decline of 11 per cent in outlays for new machinery and equipment in 1961 reflected major cutbacks in the programmes of the manufacturing and utilities group. The drop of 10 per cent in expenditures by manufacturers in the face of a rising level of production suggests a lack of any general pressures on productive capacity during the year. The 19 per cent decline in machinery and equipment investment by the utilities group is associated with the completion of major projects by the railways and electric power utilities.

The relatively small gain in outlays for non-residential construction in 1961 was associated mainly with a sharp increase in expenditures undertaken by the mining industry, and an expanded building programme in the institutional sector; both hospitals and universities undertook larger capital programmes in 1961. However, these increases were partially offset by reduced spending in the manufacturing industries, particularly the primary metals group and the group processing products of petroleum and coal.

The total value of housing put-in-place showed little change between 1960 and 1961. At a level of \$1.5 billion, the total value of housing construction was only about 1 per cent above that of the previous year. The number of housing units started in 1961 rose from 109,000 units in 1960 to 126,000 units (16 per cent) but the number of units completed fell from 124,000 to 116,000 (-6.5 per cent). The rate of starts, which had risen sharply in the latter part of 1960 and early 1961, in association with the liberalization of lending terms under the National Housing Act, was lower in the last three quarters of the year. The approval of loans under the National Housing Act increased by 67 per cent, to 63,044 in the year; direct lending by Central Mortgage and Housing Corporation increased by just over \$100 million to a level of \$271 million.

Total Mortgage Loans Approved (Dwelling Units)

	Year 1960	Year 1961	Per cent change
National Housing Act mortgage loans:			
Chartered banks	89	17	-80.9
Life, trust, loan companies, etc.	21,724	38,626	77.8
C.M.H.C.	15,932	24,401	53.2
Sub-totals	37,745	63,044	67.0
Conventional mortgage loans:			
All lending institutions	42,164	41,465	- 1.7
Totals	79,909	104,509	30.8

Investment in Non-Farm Business Inventories

Except in the fourth quarter, when there was a pronounced building up of stocks, accumulation of business inventories had only a small impact on the rate of economic activity in 1961. The change in business inventories by major category for the years 1957 to 1960 and quarterly for 1961 are shown in the accompanying table.

Manufacturers' stocks were being depleted at an increasing rate until the fourth quarter of 1961 when the movement was sharply reversed. The last quarter's accumulation spread through every stage of fabrication. This build-up was accompanied by rising new orders and a mounting backlog of unfilled orders. In spite of the fourth quarter build-up the ratio of stocks to sales at year-end was the lowest since the end of 1955.

Non-Farm Business Inventories

Industry	Year				Quarters 1961 (Seasonally adjusted at annual rates)				Year
	1957	1958	1959	1960	(1)	(2)	(3)	(4)	1961
millions of dollars									
Manufacturing	140	-149	151	66	-24	-60	-84	252	21
Wholesale	71	- 44	119	15	68	16	- 4	176	64
Retail	27	10	125	174	-64	20	204	224	96
Other	67	- 14	19	19	80	192	-12	-148	28
Totals	305	-197	414	274	60	168	104	504	209

The build-up of inventories in wholesale and retail trade was most pronounced in the closing quarter of the year, particularly at the wholesale level where a sharp turn-around occurred. In both groups the quarterly pattern was to a large extent a reflection of partially offsetting movements in stocks of durable and non-durable goods.

Thus, the contraction in the deficit on international current account from \$1.1 billion to \$0.9 billion (on the National Accounts basis) was one of the notable developments of the year; the deficit in 1961 was the smallest in any year since 1955. Among the factors raising the value of Canadian trade was the change in the exchange rate of the Canadian dollar. The improvement in the deficit was wholly attributable to the emergence of a surplus in merchandise trade, the first in many years; the deficit on invisible transactions continued to rise to reach the highest level on record, partly because of the unusually high level of dividends paid abroad in the first quarter of the year.

Exports and Imports of Goods and Services

Canada's exports of goods and services rose to \$7.6 billion in 1961, an increase of nearly 8 per cent over the level of 1960. At the same time, imports of goods and services rose by 4 per cent.

Domestic Exports

	Per cent change				
	1Q '61 1Q '60	2Q '61 2Q '60	3Q '61 3Q '60	4Q '61 4Q '60	Year 1961 Year 1960
Leading commodities					
Newsprint paper	4.5	1.3	- 0.8	- 2.5	0.4
Wheat	17.6	85.4	83.3	58.4	61.2
Lumber and timber	- 7.4	1.8	6.5	8.6	2.5
Wood pulp	- 1.3	12.0	5.6	10.1	6.6
Uranium ore	-32.4	-12.9	-30.9	-29.2	-26.9
Aluminum and products	-24.7	- 3.7	7.7	- 4.3	- 6.9
Nickel	9.0	19.7	39.0	74.6	34.7
Copper and products	- 8.8	-15.3	-13.5	1.3	- 9.3
Fish and fishery products	6.9	- 6.1	4.8	12.9	4.8
Farm machinery and implements	-13.9	- 5.4	- 4.6	5.1	- 6.6
Total domestic exports	- 2.6	7.6	13.5	18.3	9.5
Leading countries					
United States	-13.1	- 0.4	12.1	26.0	6.0
United Kingdom	5.3	- 8.3	- 0.5	1.0	- 0.7
European common market countries	18.9	27.2	9.1	1.4	11.5
Japan	6.7	68.8	32.9	20.8	29.5
Other	18.9	36.9	31.1	20.2	28.6
Total domestic exports	- 2.6	7.6	13.5	18.3	9.5

Merchandise exports followed a rising trend through the year and for the year as a whole were \$5.9 billion, 9 per cent higher than in 1960, most of this rise being in volume. Among the influences fostering the growth in exports was the recovery in the United States from a mild and short-lived recession and large sales of wheat to Communist China and Eastern Europe. Exports were also notably higher to Japan, Latin America, and some countries in Western Europe. Exports to the United Kingdom were unchanged, while exports to other countries of the Sterling Area declined slightly.

The rise in wheat exports accounted for about half the total increase in exports in 1961. Other important contributors were such commodities as nickel, forest products, petroleum and natural gas, cattle and aircraft. Partially offsetting were reduced sales of such major commodities as uranium, iron ore, copper and aluminum.

Merchandise imports, estimated at \$5.7 billion, were up about 3 per cent in 1961, most of this increase being accounted for by the rise in prices of imports. The record value in 1961 compares with

a previous peak of \$5.6 billion in 1956, when import prices were considerably lower.

The advance in imports was concentrated in the second half of the year and reflects the renewal of expansionary influences at that time. The gain in imports was widely distributed by commodities. Preliminary data indicate increased imports of many industrial materials and machinery and equipment items, and toward the end of the year, increased purchases of some grain and other agricultural products to help make good the loss in production in Western Canada. Imports of some other types of consumer goods were also higher at the end of the year.

Turning to consider the service account, receipts from services rose by nearly 4 per cent while payments for services rose by nearly 6 per cent. The major factor on the side of payments was a more than 15 per cent rise in the outflow of interest and dividends, a large part of which was concentrated in the first quarter of the year. On the receipts side, there was a considerable rise in income from tourism and travel expenditures, partially offset by changes in other items.

Exports and Imports of Merchandise and Services

	Year 1960	Quarters 1961 (Seasonally adjusted at annual rates)				Year 1961	Per cent change Year '61 Year '60
		(1)	(2)	(3)	(4)		
millions of dollars							
Exports:							
Merchandise	5,400	5,564	5,608	6,156	6,256	5,896	9.2
Services (including interest and dividend receipts)	1,622	1,620	1,708	1,700	1,700	1,682	3.7
Interest and dividend receipts	(178)	(184)	(232)	(188)	(180)	(196)	10.1
Totals	7,022	7,184	7,316	7,856	7,956	7,578	7.9
Imports:							
Merchandise	5,545	5,476	5,464	5,856	6,072	5,717	3.1
Services (including interest and dividend payments)	2,615	2,868	2,720	2,752	2,740	2,770	5.9
Interest and dividend payments	(669)	(892)	(732)	(748)	(712)	(771)	15.2
Totals	8,160	8,344	8,184	8,608	8,812	8,487	4.0

The Government Sector

Government expenditures on goods and services exerted an expansionary influence on the economy in 1961. At an estimated level of \$7.2 billion, they were 7½ per cent higher than in 1960.

The highest rate of increase was in Federal Government outlays for purposes other than defence—14.7 per cent—but defence expenditure was also

up significantly. The substantial rise in non-defence outlays reflected higher wage and salary payments, increased public investment outlays, and the accumulation of inventories held by the Agricultural Stabilization Board. At the same time, outlays by provincial and municipal governments were higher by about 7 per cent. Higher wages and salaries were an important element in the increment at all levels of government.

Government Expenditure and Revenue

	Year 1960	Year 1961	Per cent change
	billions of dollars		
Government expenditure:			
Goods and services	6.7	7.2	7.5
Transfer payments to persons	3.1	3.3	7.1
Interest on public debt	1.1	1.1	4.4
Subsidies	0.2	0.3	6.4
Totals¹	11.1	11.9	7.1
Government revenue:			
Direct taxes — Persons	2.4	2.5	6.2
Direct taxes — Corporations	1.6	1.6	3.1
Withholding taxes ²	0.1	0.1	41.6
Indirect taxes	4.7	4.9	4.5
Investment income	1.1	1.1	5.1
Employer—employee contributions	0.7	0.8	6.3
Totals¹	10.5	11.0	5.1
Deficit	0.6	0.9	37.8

¹ Excludes inter-governmental transfers.

² Withholding tax receipts increased sharply in 1961, up 42 per cent to \$109 million, owing largely to an adjustment to bring the tax rate up to 15 per cent for most investment earnings leaving Canada. This change was introduced in the December, 1960, Budget.

Note: Percentage changes are based on unrounded data. Figures will not add by +0.1 or -0.1 due to rounding.

Transfer payments to persons increased by about 7 per cent. Transfers paid by the Federal Government were only slightly higher; higher payments were made under social security schemes, but this was offset by the fact that the 1960 figures include payments under the Western Grain Producers Acreage Payment Plan. The major rate of increase—17 per cent—was at the provincial level. The magnitude of this increase is largely accounted for by the rapidly expanding costs of the hospital insurance schemes and the introduction of the provincial government hospital insurance in Quebec at the beginning of the year. An 11 per cent increase in municipal transfer payments is mainly attributable to direct relief.

The changes in expenditure mentioned above, together with some increase in interest on the public debt and in subsidies, brought total government outlays excluding inter-governmental transfers up 7 per cent. At the same time, government revenues rose, reflecting the improvement in economic conditions during the course of the year and some revisions in tax rates. However, the increase was not as large as in expenditure, so that the gap between revenue and expenditure left a deficit (on a National Accounts basis) of over \$890 million in 1961, compared with one of about \$650 million in 1960.

COMPONENTS OF GROSS NATIONAL PRODUCT

Labour Income

Labour income continued to rise in 1961, and at an estimated \$18.9 billion, was a little more than 4 per cent above 1960, an advance somewhat greater than that in the preceding year. The gain reflected the strengthening of the employment situation during the course of the year, which made for increased numbers of paid workers as well as a somewhat longer work week in some industries. Higher average earnings also played a part.

Most industrial divisions shared in the advance in labour income. Forestry, mining, and construction are the three exceptions; in these industries employment was reduced in 1961. As in the past several years the major gains were in the service-producing group; labour income in non-government

service was up 10 per cent, in government service close to 9 per cent, and in finance, insurance and real estate more than 7 per cent. The advance in the important manufacturing segment, where employment began to pick up during the course of the year, was slightly more than 3 per cent.

Income from Farm Operations

Accrued net income of farm operators was at a level of \$937 million in 1961, about 22 per cent lower than the preceding year. All of the decline can be attributed to the reduction in grain production resulting from drought conditions in the Prairies. This factor, along with the greatly increased export demand for wheat, led to a marked drawing down of farm-held grain inventories in 1961.

At year-end, the carry-over of grain on farms and in commercial channels was the lowest since 1950.

Cash income from the sale of farm products reached an all-time high level in 1961. Major items contributing to the increase were greater returns

from the sale of wheat, cattle, calves, poultry, hogs, tobacco and dairy products. The sharp increases in Canadian Wheat Board participation payments and in the undistributed profits of the Wheat Board were a reflection of the higher wheat export sales during the year.

Accrued Net Income of Farm Operators from Farm Production

	Year 1960	Year 1961	Change	Per cent change 1961 1960
millions of dollars				
Farm cash income (excluding Canadian Wheat Board Payments)	2,702	2,798	96	3.6
Income-in-kind	352	350	- 2	- 0.6
Farm inventory change	15	-314	-329	
Gross income	3,069	2,834	-235	- 7.7
Deduct:				
Farm operating expenses	1,609	1,696	87	5.4
Depreciation	299	305	6	2.0
Add:				
Adjustment on grain transactions ¹	85	159	74	87.1
Other adjustments	-52	- 55	- 3	
Accrued net income of farm operators	1,194	937	-257	-21.5

¹ Includes Canadian Wheat Board participation payments as well as the undistributed profits of the Wheat Board.

Corporate Profits

After declining in the first quarter, corporate profits (before taxes and before dividends paid abroad) rose substantially in each of the three succeeding quarters in response to the quickening in economic activity. By the fourth quarter they were at a seasonally adjusted annual rate of \$3.8 billion, 30 per cent above the annual rate of \$3.0 billion in the first quarter, and 4 per cent above the previous peak attained in the fourth quarter

of 1959. For the year as a whole the increase amounted to about 5 per cent. Among the factors tending to raise corporate profits during the year was the decline in the exchange rate on the Canadian dollar which has pushed up profit margins in a number of commodity-producing industries whose prices are set in world markets.

The following table indicates movements of corporation profits in selected industries that occurred in 1961.

Corporation Profits - Selected Industries

	Year 1960	Year 1961	Per cent change 1961 1960
millions of dollars			
Mining, quarrying and oil wells	348	404	16.1
Manufacturing	1,462	1,538	5.2
Foods and beverages	241	258	7.1
Paper products	248	275	10.9
Iron and steel products	350	345	- 1.4
Electrical apparatus and supplies	60	50	-16.7
Petroleum and coal products	104	109	4.8
Textile products	53	65	22.6
Non-metallic mineral products	58	62	6.9
Chemical products	116	126	8.6
Transportation, communication and storage	257	262	1.9
Public utility operations	76	81	6.6
Wholesale trade	210	213	1.4
Retail trade	221	223	0.9
Finance, insurance and real estate	500	521	4.2
Service	70	67	- 4.3
Total all industries	3,277	3,438	4.9

[illegible]

Percentage Distribution of Gross Domestic Product at Factor Cost, by Industry, 1955 - 61

Line No.		1955	1956	1957	1958	1959	1960	1961
1	Agriculture	7.3	7.2	5.5	5.9	5.3	5.5	4.6
2	Forestry	1.8	1.7	1.5	1.1	1.2	1.3	1.1
3	Fishing and trapping	0.4	0.4	0.3	0.4	0.3	0.3	0.3
4	Mining, quarrying, and oil wells	4.4	4.4	4.3	3.9	4.2	4.2	4.3
5	Manufacturing	27.9	28.0	27.8	26.4	26.6	26.0	25.9
6	Construction	5.7	6.4	6.8	6.7	6.1	5.7	5.5
7	Transportation	7.1	7.3	7.1	6.6	6.8	6.5	6.5
8	Storage	0.3	0.3	0.3	0.3	0.3	0.3	0.3
9	Communication	1.9	2.0	2.0	2.1	2.2	2.3	2.3
10	Electric power, gas, and water utilities	2.7	2.8	3.1	3.2	3.2	3.4	3.4
11	Wholesale trade	4.4	4.6	4.8	4.7	4.8	4.6	4.6
12	Retail trade	9.2	9.0	9.0	9.5	9.4	9.4	9.5
13	Finance, insurance, and real estate	9.4	8.6	9.3	9.9	10.1	10.4	10.6
14	Public administration and defence	6.5	6.4	6.8	7.2	7.1	7.3	7.7
15	Service	11.0	10.9	11.4	12.1	12.4	12.8	13.4
16	Totals	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Percentage Distribution of Personal Income by Source, 1955 - 61

Line No.		1955	1956	1957	1958	1959	1960	1961
1	Wages, salaries, and supplementary labour income	64.6	65.6	66.5	64.5	64.7	64.0	64.5
2	Military pay and allowances	2.0	2.0	2.1	2.0	1.9	1.9	2.0
3	Net income received by farm operators from farm production	6.1	6.5	4.4	4.9	4.3	4.4	3.2
4	Net income of non-farm unincorporated business	9.1	9.0	8.7	8.6	8.5	8.0	8.0
5	Interest, dividends, and net rental income of persons	9.3	8.7	9.2	9.2	9.8	10.1	10.2
6	Transfer payments (excluding interest)	8.9	8.2	9.1	10.8	10.8	11.6	12.1
7	Totals	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Selected Per Person Income and Product Series in Current and Constant Dollars, 1955 - 61

Line No.		1955	1956	1957	1958	1959	1960	1961
Current dollars								
1	Gross National Product	1,728	1,902	1,921	1,926	1,990	2,011	2,020
2	Personal Income	1,257	1,361	1,396	1,445	1,486	1,521	1,538
3	Personal Disposable Income	1,162	1,253	1,281	1,340	1,366	1,389	1,401
4	Personal Expenditure on Consumer Goods and Services	1,108	1,171	1,208	1,244	1,287	1,308	1,330
Constant (1957) dollars								
5	Gross National Expenditure	1,849	1,959	1,921	1,890	1,904	1,897	1,893
6	Personal Expenditure on Consumer Goods and Services	1,166	1,211	1,208	1,212	1,237	1,243	1,253

SECTION A

INCOME AND EXPENDITURE ACCOUNTS

1. Summary Tables

TABLE 1. National Income and Gross National Product, 1955-61

Line No.		1955	1956	1957	1958	1959	1960	1961
millions of dollars								
1	Wages, salaries, and supplementary labour income	13,223	14,890	16,018	16,521	17,463	18,119	18,884
2	Military pay and allowances	394	424	476	491	496	509	550
3	Corporation profits before taxes ¹	2,965	3,345	3,056	3,075	3,498	3,277	3,438
4	Deduct: Dividends paid to non-residents	-395	-437	-475	-470	-501	-470	-588
5	Rent, interest, and miscellaneous investment income	1,684	1,767	1,980	2,104	2,281	2,390	2,529
6	Accrued net income of farm operators from farm production ²	1,264	1,450	1,026	1,200	1,118	1,194	937
7	Net income of non-farm unincorporated business ³	1,791	1,965	2,008	2,125	2,192	2,190	2,249
8	Inventory valuation adjustment ⁴	-189	-238	-78	-35	-130	-55	-86
9	Net National Income at factor cost	20,737	23,166	24,011	25,011	26,417	27,154	27,913
10	Indirect taxes less subsidies	3,237	3,636	3,861	3,882	4,251	4,446	4,643
11	Capital consumption allowances and miscellaneous valuation adjustments	3,266	3,642	4,009	3,899	4,159	4,293	4,349
12	Residual error of estimate	-108	141	28	102	-43	35	-61
13	Gross National Product at market prices	27,132	30,585	31,909	32,894	34,784	35,928	36,844

¹ In previous publications, this item was shown after deduction of dividends paid to non-residents, it is now however inclusive of such dividends. In order to derive series consistent with past published figures, lines 3 and 4 must be combined.

² Includes changes in farm inventories in millions of dollars as follows:

1955	198	1958	-92	1961	-314
1956	241	1959	-76		
1957	-125	1960	15		

An adjustment has been made to take account of the accrued earnings of farm operators arising out of the operations of the Canadian Wheat Board. (See footnote 5, Table 52).

³ Includes net income of independent professional practitioners.

⁴ See footnote 5, Table 2.

TABLE 2. Gross National Expenditure, 1955-61

Line No.		1955	1956	1957	1958	1959	1960	1961
millions of dollars								
1	Personal expenditure on consumer goods and services	17,389	18,833	20,072	21,245	22,495	23,367	24,253
2	Government expenditure on goods and services ¹	4,792	5,386	5,722	6,180	6,449	6,683	7,183
3	<i>Current expenditure</i> ²	3,758	4,126	4,340	4,791	4,926	5,113	5,567
4	<i>Gross fixed capital formation</i> ³	1,034	1,260	1,382	1,389	1,523	1,570	1,616
5	Business gross fixed capital formation ⁴	5,210	6,774	7,335	6,975	6,894	6,692	6,493
6	<i>New residential construction</i>	1,378	1,526	1,409	1,763	1,734	1,443	1,458
7	<i>New non-residential construction</i>	1,848	2,589	3,103	2,811	2,589	2,577	2,647
8	<i>New machinery and equipment</i>	1,984	2,659	2,823	2,401	2,571	2,672	2,388
9	Value of physical change in inventories ⁵	311	1,084	231	-322	350	359	-238
10	<i>Non-farm business inventories</i>	133	808	305	-197	414	274	209
11	<i>Farm inventories and grain in commercial channels</i>	178	276	-74	-125	-64	85	-447
12	Exports of goods and services ⁶	5,764	6,365	6,391	6,340	6,683	7,022	7,578
13	Deduct: Imports of goods and services	-6,443	-7,715	-7,813	-7,423	-8,131	-8,160	-8,487
14	Residual error of estimate	109	-142	-29	-101	44	35	62
15	Gross National Expenditure at market prices	27,132	30,585	31,909	32,894	34,784	35,928	36,844

¹ Includes defence expenditure which is shown in footnote 2, Table 37.

² Also includes net purchases of government commodity agencies and the defence production revolving fund. Excludes shipments of previously produced military equipment to NATO countries but includes replacements of new equipment.

³ Includes outlay on new durable assets such as building and highway construction by governments, other than government business enterprises (for detail see footnote 1, Table 43, and lines 2, 3 and 4, Table 54).

⁴ Includes capital expenditures by private and government business enterprises, private non-commercial institutions, and outlays on new residential construction by individuals and business investors. Total "Private and Public Investment in Canada" can be obtained by adding lines 4 and 5.

⁵ The book value of inventories is deflated to remove the effect of price changes and the derived "physical" change is then valued at average prices of the current period to obtain the value of physical change. The difference between this value of physical change and the change in book value is called the inventory valuation adjustment (see line 8, Table 1).

⁶ Excludes shipments of military equipment to NATO countries under the Defence Appropriation Act. See also Table 55.

TABLE 3. Relation between Net National Income at Factor Cost, Personal Income, Personal Disposable Income, and Personal Net Saving, 1955 - 61

Line No.		1955	1956	1957	1958	1959	1960	1961
millions of dollars								
1	Net National Income at factor cost	20,737	23,166	24,011	25,011	26,417	27,154	27,913
2	Add: Transfer payments (excluding interest on the public debt and charitable contributions from corporations) ¹	1,737	1,766	2,076	2,637	2,756	3,121	3,343
3	Add: Interest on the public debt ¹	669	714	739	782	954	1,079	1,126
4	Deduct: Earnings not paid out to persons ²	- 3,405	- 3,761	- 3,635	- 3,755	- 4,155	- 4,176	- 4,333
5	Equals: Personal income	19,738	21,885	23,191	24,675	25,972	27,178	28,049
6	Deduct: Personal direct taxes	- 1,499	- 1,732	- 1,917	- 1,795	- 2,087	- 2,357	- 2,504
7	Equals: Personal disposable income	18,239	20,153	21,274	22,880	23,885	24,821	25,545
8	Deduct: Personal expenditure on consumer goods and services	-17,389	-18,833	-20,072	-21,245	-22,495	-23,367	-24,253
9	Equals: Personal net saving	850	1,320	1,202	1,635	1,390	1,454	1,292
10	Value of physical change in farm inventories	198	241	- 125	- 92	- 76	15	- 314
11	Personal saving excluding change in farm inventories	652	1,079	1,327	1,727	1,466	1,439	1,606

¹ Since National Income excludes transfer payments and personal income includes them, items 2 and 3 are added back here. However, charitable contributions from corporations are not added since they are included in National Income.

² This item includes: undistributed corporation profits, corporation profits taxes, withholding taxes, government investment income, adjustment on grain transactions, inventory valuation adjustment, and employer and employee contributions to social insurance and government pension funds.

TABLE 4. Relation between Gross National Product at Market Prices and Gross Domestic Product at Factor Cost, 1955 - 61

Line No.		1955	1956	1957	1958	1959	1960	1961
millions of dollars								
1	Gross National Product at market prices	27,132	30,585	31,909	32,894	34,784	35,928	36,844
2	Deduct: Residual error of estimate	108	- 141	- 28	- 102	43	-35	61
3	Indirect taxes less subsidies	-3,237	-3,636	-3,861	-3,882	-4,251	-4,446	-4,643
4	Income received from non-residents	- 160	- 142	- 154	- 168	- 182	- 178	- 196
5	Add: Income paid to non-residents	483	523	589	612	671	669	771
6	Gross domestic product at factor cost	24,326	27,189	28,455	29,354	31,065	31,938	32,837

TABLE 5. Gross National Expenditure in Constant (1957) Dollars, 1955-61^{1,2}

Line No.		1955	1956	1957	1958	1959	1960	1961
millions of dollars								
1	Personal expenditure on consumer goods and services	18,304	19,478	20,072	20,707	21,630	22,212	22,859
2	Government expenditure on goods and services	5,319	5,664	5,722	6,113	6,171	6,257	6,608
3	<i>Current expenditure</i>	4,191	4,345	4,340	4,606	4,586	4,604	4,849
4	<i>Gross fixed capital formation</i>	1,135	1,319	1,382	1,507	1,585	1,653	1,759
5	<i>Adjusting entry</i>	- 7	-	-	-	-	-	-
6	Business gross fixed capital formation	5,682	7,014	7,335	6,825	6,562	6,231	5,990
7	<i>New residential construction</i>	1,468	1,567	1,409	1,722	1,633	1,323	1,329
8	<i>New non-residential construction</i>	2,004	2,666	3,103	2,767	2,473	2,404	2,460
9	<i>New machinery and equipment</i>	2,204	2,781	2,823	2,336	2,456	2,504	2,201
10	<i>Adjusting entry</i>	6	-	-	-	-	-	-
11	Change in inventories	461	1,086	231	- 314	324	333	- 262
12	<i>Non-farm business inventories</i>	165	812	305	- 196	403	265	209
13	<i>Farm inventories and grain in commercial channels</i>	238	274	- 74	- 118	- 79	68	- 471
14	<i>Adjusting entry</i>	58	-	-	-	-	-	-
15	Exports of goods and services	5,894	6,333	6,391	6,365	6,610	6,884	7,343
16	Deduct: Imports of goods and services	-6,825	-7,921	-7,813	-7,313	-8,058	-7,977	-8,067
17	Residual error of estimate	116	- 146	- 29	- 99	42	- 33	58
18	Adjusting entry	67	-	-	-	-	-	-
19	Gross National Expenditure in constant (1957) dollars	29,018	31,508	31,909	32,284	33,281	33,907	34,529
20	Index, line 19, 1949 = 100	134.2	145.7	147.6	149.3	153.9	156.8	159.7

¹ These data are given on a 1949 time base in Tables 56 and 57 in order to provide continuity with Tables 5 and 6 in "National Accounts, Income and Expenditure, 1926-1956".

² For annual data for the period 1947-1954, on a 1957 time base, see Tables 9 and 18 "National Accounts, Income and Expenditure, by Quarters, 1947-61" (to be published shortly).

TABLE 6. Implicit Price Indexes - Gross National Expenditure, 1955-61^{1,2}
(1957 = 100.0)

Line No.		1955	1956	1957	1958	1959	1960	1961
1	Personal expenditure on consumer goods and services	95.0	96.7	100.0	102.6	104.0	105.2	106.1
2	Government expenditure on goods and services	90.1	95.1	100.0	101.1	104.5	106.8	108.7
3	<i>Current expenditure</i>	89.7	95.0	100.0	104.0	107.4	111.1	114.8
4	<i>Gross fixed capital formation</i>	91.1	95.5	100.0	92.2	96.1	95.0	91.9
5	Business gross fixed capital formation	91.7	96.6	100.0	102.2	105.1	107.4	108.4
6	<i>New residential construction</i>	93.9	97.4	100.0	102.4	106.2	109.1	109.7
7	<i>New non-residential construction</i>	92.2	97.1	100.0	101.6	104.7	107.2	107.6
8	<i>New machinery and equipment</i>	90.0	95.6	100.0	102.8	104.7	106.7	108.5
9	Exports of goods and services	97.8	100.5	100.0	99.6	101.1	102.0	103.2
10	Imports of goods and services	94.4	97.4	100.0	101.5	100.9	102.3	105.2
11	Residual error of estimate	93.7	97.0	100.0	101.9	104.5	105.9	106.6
12	Gross National Expenditure at market prices	93.5	97.1	100.0	101.9	104.5	106.0	106.7

¹ These implicit indexes are currently weighted price indexes. They reflect not only pure price changes, but also changing expenditure patterns within and between major groups. The implicit price index for Gross National Expenditure is derived by dividing the total of current dollars by the total of constant dollars.

² For annual data for the period 1947-1954 on a 1957 time base, see Table 19 in "National Accounts, Income and Expenditure, by Quarters, 1947-61" (to be published shortly).

2. Analysis of Income and Expenditure Accounts
by Sectors of the Canadian Economy

TABLE 7. Personal Income and Expenditure Account, 1955-61
Income

Item No.		1955	1956	1957	1958	1959	1960	1961
		millions of dollars						
1	Wages, salaries, and supplementary labour income:							
	(a) From business (28 a)	11,081	12,517	13,379	13,572	14,274	14,645	15,093
	(b) From governments (19 bi)	1,682	1,871	2,088	2,333	2,509	2,704	2,947
	(c) From persons (9b)	460	502	551	616	680	770	844
	(d) Deduct employer and employee contributions to social insurance and government pension funds (17)	-476	-532	-590	-615	-651	-735	-781
2	Military pay and allowances (19 bii)	394	424	476	491	496	509	550
3	Net income received by farm operators from farm production ¹ (28 c)	1,200	1,430	1,026	1,201	1,123	1,188	909
4	Net income of non-farm unincorporated business (28 e) ..	1,791	1,965	2,008	2,125	2,192	2,190	2,249
5	Interest, dividends, and net rental income of persons ² (44 a)	1,840	1,908	2,141	2,277	2,551	2,742	2,850
6	Transfer payments (excluding interest):							
	(a) From governments (20 b)	1,737	1,766	2,076	2,637	2,756	3,121	3,343
	(b) Charitable contributions from corporations (44 b)	29	34	36	38	42	44	45
7	Totals	19,738	21,885	23,191	24,675	25,972	27,178	28,049

¹ This item differs from line 6 of Table 1 by excluding the adjustment which has been made to take account of the accrued net earnings arising out of the operations of the Canadian Wheat Board.

² Includes all government debt interest paid to persons.

TABLE 8. Personal Income and Expenditure Account, 1955-61
Expenditure

Item No.		1955	1956	1957	1958	1959	1960	1961
		millions of dollars						
8	Personal direct taxes:							
	(a) Income taxes (12 a)	1,297	1,496	1,693	1,554	1,744	1,978	2,126
	(b) Succession duties and estate taxes (12b)	127	146	126	126	130	158	146
	(c) Miscellaneous (12 c)	75	90	98	115	213	221	232
9	Purchases of goods and services:							
	(a) From business (24 a)	16,375	17,714	18,879	19,968	21,088	21,839	22,640
	(b) Direct services (1 c)	460	502	551	616	680	770	844
	(c) Travel expenditure (34 a)	449	498	525	542	598	627	633
	(d) Other expenditures abroad (34 b)	105	119	117	119	129	131	136
10	Personal net saving ¹ (48)	850	1,320	1,202	1,635	1,390	1,454	1,292
11	Totals	19,738	21,885	23,191	24,675	25,972	27,178	28,049

¹ This series includes changes in farm inventories, see Table 3.

TABLE 9. Government Revenue and Expenditure Account, 1955 - 61¹

Revenue

Item No.		1955	1956	1957	1958	1959	1960	1961
millions of dollars								
12	Direct taxes — Persons:							
	(a) Income taxes (8 a)	1, 297	1, 496	1, 693	1, 554	1, 744	1, 978	2, 126
	(b) Succession duties and estate taxes (8b)	127	146	126	126	130	158	146
	(c) Miscellaneous (8 c)	75	90	98	115	213	221	232
13	Direct taxes — Corporations:							
	(a) Income tax collections (44 c)	1, 109	1, 373	1, 550	1, 339	1, 437	1, 687	1, 574
	(b) Excess of income tax liabilities over income tax collections ² (44 d)	163	40	-213	-24	143	-125	36
14	Withholding taxes (44 e)	67	69	83	48	72	77	109
15	Indirect taxes (29 a)	3, 319	3, 759	3, 977	4, 028	4, 455	4, 681	4, 893
16	Investment income:							
	(a) Interest (44 f)	238	258	293	363	421	466	486
	(b) Profits of government business enterprises (44 g)	515	576	556	574	577	592	626
17	Employer and employee contributions to social insurance and government pension funds (1 d) ..	476	532	590	615	651	735	781
18	Totals³	7, 386	8, 339	8, 753	8, 738	9, 843	10, 470	11, 009

¹ See also Table 36.² See footnote 2, Table 50.³ Inter-governmental transfers are not included in this total, since in the consolidation of the government sector such transactions cancel out. For details of inter-governmental transfers, see Table 46.**TABLE 10. Government Revenue and Expenditure Account, 1955 - 61¹**

Expenditure

Item No.		1955	1956	1957	1958	1959	1960	1961
millions of dollars								
19	Purchase of goods and services: ²							
	(a) From business (24 b)	2, 716	3, 091	3, 158	3, 356	3, 444	3, 470	3, 686
	(b) Direct service:							
	(i) Wages and salaries (1 b)	1, 682	1, 871	2, 088	2, 333	2, 509	2, 704	2, 947
	(ii) Military pay and allowances (2)	394	424	476	491	496	509	550
20	Transfer payments:							
	(a) Interest (45)	669	714	739	782	954	1, 079	1, 126
	(b) Other (6 a)	1, 737	1, 766	2, 076	2, 637	2, 756	3, 121	3, 343
21	Subsidies (29 b)	82	123	116	146	204	235	250
22	Surplus (+) or deficit (-) (on transactions relating to the National Accounts) ³ (51)	106	350	100	-1, 007	-520	-648	-893
23	Totals⁴	7, 386	8, 339	8, 753	8, 738	9, 843	10, 470	11, 009

¹ See also Table 37.² See line 2, Table 2.³ For a reconciliation of the federal content of this consolidated surplus (or deficit) with the conventional federal budgetary surplus (or deficit) see Table 53.⁴ In addition to total expenditure, this item includes the government surplus or deficit. Inter-governmental transfers are not included in this total, since in the consolidation of the government sector such transactions cancel out. For details of inter-governmental transfers, see Table 46.

TABLE 11. Business Operating Account, 1955 - 61
Revenue

Item No.		1955	1956	1957	1958	1959	1960	1961
		millions of dollars						
24	Sales to residents:							
	(a) Persons (9a).....	16,375	17,714	18,879	19,968	21,088	21,839	22,640
	(b) Governments ¹ (19 a)	2,716	3,091	3,158	3,356	3,444	3,470	3,686
	(c) Business gross fixed capital formation: ²							
	(i) New residential construction (54 a).....	1,378	1,526	1,409	1,763	1,734	1,443	1,458
	(ii) New non-residential construction (54 b)	1,848	2,589	3,103	2,811	2,589	2,577	2,647
	(iii) New machinery and equipment (54 c)....	1,984	2,659	2,823	2,401	2,571	2,672	2,388
	(d) Value of physical change in inventories (55)	311	1,084	231	-322	350	359	-238
25	Sales to non-residents:							
	(a) Travel expenditure (38 b).....	328	337	363	349	391	420	473
	(b) Other (38 c)	5,276	5,886	5,874	5,823	6,110	6,424	6,909
26	Residual error of estimate.....	109	-142	-29	-101	44	-35	62
27	Totals.....	30,325	34,744	35,811	36,048	38,321	39,169	40,025

¹ See footnotes 1, 2, 3, Table 2.² See footnotes 4, Table 2.

TABLE 12. Business Operating Account, 1955 - 61
Expenditure

Item No.		1955	1956	1957	1958	1959	1960	1961
		millions of dollars						
28	Factor costs:							
	(a) Wages, salaries, and supplementary labour income (1a).....	11,081	12,517	13,379	13,572	14,274	14,645	15,093
	(b) Investment income (excluding interest and dividends received from non-residents and including interest and dividends paid to non-residents) (41).....	4,577	5,056	4,996	5,153	5,767	5,688	5,954
	(c) Net income received by farm operators from farm production ¹ (3)	1,200	1,430	1,026	1,201	1,123	1,188	909
	(d) Adjustment on grain transactions ² (49 c).....	64	20	-	- 1	- 5	6	28
	(e) Net income of non-farm unincorporated business (4)	1,791	1,965	2,008	2,125	2,192	2,190	2,249
	(f) Inventory valuation adjustment (50)	-189	-238	- 78	- 35	-130	- 55	-86
29	Other costs:							
	(a) Indirect taxes (15)	3,319	3,759	3,977	4,028	4,455	4,681	4,893
	(b) Less subsidies (21).....	- 82	-123	-116	-146	-204	-235	-250
	(c) Capital consumption allowances and miscellaneous valuation adjustments (49 b).....	3,266	3,642	4,009	3,899	4,159	4,293	4,349
30	Purchases from non-residents (33 b)	5,406	6,575	6,582	6,150	6,733	6,733	6,947
31	Residual error of estimate.....	-108	141	28	102	- 43	35	- 61
32	Totals.....	30,325	34,744	35,811	36,048	38,321	39,169	40,025

¹ See footnote 1, Table 7.² This item is the adjustment to take account of the accrued earnings of farm operators arising out of the operations of the Canadian Wheat Board. See footnote 5, Table 52.

TABLE 13. Non-Residents' Revenue and Expenditure Account, 1955 - 61¹

Receipts from Canada

(Canadian Imports)

Item No.		1955	1956	1957	1958	1959	1960	1961
millions of dollars								
33	Receipts from business:							
	(a) Interest and dividends (46a)	416	455	512	523	567	539	631
	(b) Other than interest and dividends (30)	5,406	6,575	6,582	6,150	6,733	6,733	6,947
34	Receipts from persons:							
	(a) Travel expenditure (9c)	449	498	525	542	598	627	633
	(b) All other receipts (9d)	105	119	117	119	129	131	136
35	Receipts from Government—Interest (46b)	67	68	77	89	104	130	140
36	Surplus (+) or deficit (-) on current account (on transactions relating to the National Accounts) (56) ..	-679	-1,350	-1,422	-1,083	-1,448	-1,138	-909
37	Totals	5,764	6,365	6,391	6,340	6,683	7,022	7,578

¹ These figures differ from those shown in reports on *The Canadian Balance of International Payments*, Dominion Bureau of Statistics, because adjustments have been made to the figures of receipts and payments to achieve consistency with other component series, See Table 55.

TABLE 14. Non-Residents' Revenue and Expenditure Account, 1955 - 61¹

Payments to Canada

(Canadian Exports)

Item No.		1955	1956	1957	1958	1959	1960	1961
millions of dollars								
38	Payments to business:							
	(a) Interest and dividends (42a)	80	73	81	81	89	77	90
	(b) Travel expenditure (25a)	328	337	363	349	391	420	473
	(c) Other payments (25b)	5,276	5,886	5,874	5,823	6,110	6,424	6,909
39	Payments to other sectors:							
	Interest and dividends (42b)	80	69	73	87	93	101	106
40	Totals	5,764	6,365	6,391	6,340	6,683	7,022	7,578

¹ See footnote 1, Table 13.

TABLE 15. Investment Income Appropriation Account, 1955 - 61

Source

Item No.		1955	1956	1957	1958	1959	1960	1961
millions of dollars								
41	Investment income (excluding interest and dividends received from non-residents and including interest and dividends paid to non-residents) (28b)	4,577	5,056	4,996	5,153	5,767	5,688	5,954
42	Interest and dividends from non-residents received by:							
	(a) Corporations (38a)	80	73	81	81	89	77	90
	(b) Other sectors (39)	80	69	73	87	93	101	106
43	Totals	4,737	5,198	5,150	5,321	5,949	5,866	6,150

TABLE 16. Investment Income Appropriation Account, 1955-61
Disposition

Item No.		1955	1956	1957	1958	1959	1960	1961
		millions of dollars						
44	To Canadian residents:							
	(a) Interest, dividends, and net rental income of persons (5)	1,840	1,908	2,141	2,277	2,551	2,742	2,850
	(b) Charitable contributions from corporations (6b)	29	34	36	38	42	44	45
	(c) Corporation income tax collections (13a)	1,109	1,373	1,550	1,339	1,437	1,687	1,574
	(d) Excess of corporation income tax liabilities over collections ¹ (13b)	163	40	-213	- 24	143	- 125	36
	(e) Withholding taxes (14)	67	69	83	48	72	77	109
	(f) Government interest revenue (16a)	238	258	293	363	421	466	486
	(g) Profits of government business enterprises (16b)	515	576	556	574	577	592	626
	(h) Undistributed corporation profits (49a)	962	1,131	854	876	989	793	779
45	Less: Interest on the public debt (20a)	-669	-714	-739	-782	-954	-1,079	-1,126
46	To non-residents, interest and dividends received from:							
	(a) Business (33a)	416	455	512	523	567	539	631
	(b) Government (35)	67	68	77	89	104	130	140
47	Totals	4,737	5,198	5,150	5,321	5,949	5,866	6,150

¹ See footnote 2, Table 50.

TABLE 17. National Saving Account, 1955-61
Source

Item No.		1955	1956	1957	1958	1959	1960	1961
		millions of dollars						
48	Personal net saving (10)	850	1,320	1,202	1,635	1,390	1,454	1,292
49	Business gross saving:							
	(a) Undistributed corporation profits (44h)	962	1,131	854	876	989	793	779
	(b) Capital consumption allowances and miscellaneous valuation adjustments ¹ (29c)	3,266	3,642	4,009	3,899	4,159	4,293	4,349
	(c) Adjustment on grain transactions (28d)	64	20	-	1	- 5	6	28
50	Inventory valuation adjustment (28f)	-189	-238	-78	- 35	-130	- 55	- 86
51	Government surplus (+) or deficit (-) (22)	106	350	100	-1,007	-520	-648	-893
52	Residual error of estimate	-108	141	28	102	- 43	35	- 61
53	Totals	4,931	6,366	6,115	5,469	5,840	5,878	5,408

¹ Includes capital consumption allowances of incorporated and unincorporated business as well as depreciation on dwellings. See also Table 51.

TABLE 18. National Saving Account, 1955-61
Disposition

Line No.		1955	1956	1957	1958	1959	1960	1961
		millions of dollars						
54	Business gross fixed capital formation: ¹							
	(a) New residential construction (24 ci)	1,378	1,526	1,409	1,763	1,734	1,443	1,458
	(b) New non-residential construction (24 cii)	1,848	2,589	3,103	2,811	2,589	2,577	2,647
	(c) New machinery and equipment (24 ciii)	1,984	2,659	2,823	2,401	2,571	2,672	2,388
55	Value of physical change in inventories (24 d)	311	1,084	231	- 322	350	359	-238
56	Surplus (+) or deficit (-) on current account with non-residents ² (36)	-679	-1,350	-1,422	-1,083	-1,448	-1,138	-909
57	Residual error of estimate	109	- 142	- 29	- 101	44	- 35	62
58	Totals	4,951	6,366	6,115	5,469	5,840	5,878	5,408

¹ See footnote 4, Table 2. For reconciliation with *Private and Public Investment* figures published by the Department of Trade and Commerce, see Table 54.

² See footnote 1, Table 13.

TABLE 19. Sector Accounts Consolidation, 1955-61
National Income and Gross National Product

Line No.		1955	1956	1957	1958	1959	1960	1961
		millions of dollars						
	Income originating in:							
	Personal sector:							
1	Wages, salaries, and supplementary labour income	460	502	551	616	680	770	844
2	Business sector	18,524	20,750	21,331	22,015	23,221	23,662	24,147
3	Wages, salaries, and supplementary labour income	11,081	12,517	13,379	13,572	14,274	14,645	15,093
4	Investment income (excluding interest and dividends received from non-residents and including interest and dividends paid to non-residents)	4,577	5,056	4,996	5,153	5,767	5,688	5,954
5	Net income received by farm operators from farm production	1,200	1,430	1,026	1,201	1,123	1,188	909
6	Adjustment on grain transactions	64	20	-	- 1	- 5	6	28
7	Net income of non-farm unincorporated business	1,791	1,965	2,008	2,125	2,192	2,190	2,249
8	Inventory valuation adjustment	-189	-238	- 78	- 35	-130	- 55	- 86
9	Government sector	2,076	2,295	2,564	2,824	3,005	3,213	3,497
10	Wages, salaries, and supplementary labour income	1,682	1,871	2,088	2,333	2,509	2,704	2,947
11	Military pay and allowances	394	424	476	491	496	509	550
12	Non-residents' sector	-323	-381	-435	-444	-489	-491	-575
	Interest and dividends paid by non-residents:							
13	(a) To Canadian corporations	80	73	81	81	89	77	90
14	(b) To other Canadian sectors	80	69	73	87	93	101	106
	Less interest and dividends received by non-residents:							
15	(a) From Canadian business	-416	-455	-512	-523	-567	-539	-631
16	(b) From Canadian governments	- 67	- 68	- 77	- 89	-104	-130	-140
17	Net national income at factor cost	20,737	23,166	24,011	25,011	26,417	27,154	27,913
18	Capital consumption allowances and miscellaneous valuation adjustments	3,266	3,642	4,009	3,899	4,159	4,293	4,349
19	Indirect taxes	3,319	3,759	3,977	4,028	4,455	4,681	4,893
20	Less subsidies	- 82	-123	-116	-146	-204	-235	-250
21	Residual error of estimate	-108	141	28	102	- 43	35	- 61
22	Gross National Product at market prices	27,132	30,585	31,909	32,894	34,784	35,928	36,844

TABLE 20. Sector Accounts Consolidation, 1955-61
Gross National Expenditure

Line No.		1955	1956	1957	1958	1959	1960	1961
		millions of dollars						
1	Personal expenditure on consumer goods and services	17,389	18,833	20,072	21,245	22,495	23,367	24,253
2	Purchases from business	16,375	17,714	18,879	19,968	21,088	21,839	22,640
3	Purchases of direct services	460	502	551	616	680	770	844
4	Purchases from non-residents	554	617	642	661	727	758	769
5	Government expenditure on goods and services	4,792	5,386	5,722	6,180	6,449	6,683	7,183
6	Purchases from business	2,716	3,091	3,158	3,356	3,444	3,470	3,686
7	Wages and salaries	1,682	1,871	2,088	2,333	2,509	2,704	2,947
8	Military pay and allowances	394	424	476	491	496	509	550
9	Business gross fixed capital formation	5,210	6,774	7,335	6,975	6,894	6,692	6,493
10	New residential construction	1,378	1,526	1,409	1,763	1,734	1,443	1,458
11	New non-residential construction	1,848	2,589	3,103	2,811	2,589	2,577	2,647
12	New machinery and equipment	1,984	2,659	2,823	2,401	2,571	2,672	2,388
13	Value of physical change in inventories	311	1,084	231	- 322	350	359	- 238
14	Exports of goods and services	5,764	6,365	6,391	6,340	6,683	7,022	7,578
15	Payments to Canadian business	5,684	6,296	6,318	6,253	6,590	6,921	7,472
16	Payments to other sectors	80	69	73	87	93	101	106
17	Imports of goods and services	-6,443	-7,715	-7,813	-7,423	-8,131	-8,160	-8,487
18	Receipts from Canadian business	-5,822	-7,030	-7,094	-6,673	-7,300	-7,272	-7,578
19	Receipts from persons	- 554	- 617	- 642	- 661	- 727	- 758	- 769
20	Receipts from government	- 67	- 68	- 77	- 89	- 104	- 130	- 140
21	Residual error of estimate	109	- 142	- 29	- 101	44	- 35	62
22	Gross National Expenditure at market prices	27,132	30,585	31,909	32,894	34,784	35,928	36,844

SECTION B

INDUSTRIAL DISTRIBUTION OF GROSS DOMESTIC
PRODUCT AND OTHER AGGREGATES

TABLE 21. Gross Domestic Product at Factor Cost, by Industry, 1955-61¹

Line No.		1955	1956	1957	1958	1959	1960	1961
millions of dollars								
1	Agriculture	1,767	1,973	1,551	1,732	1,657	1,755	1,516
2	Forestry	438	462	413	336	373	406	357
3	Fishing and trapping	85	98	88	108	96	92	100
4	Mining, quarrying, and oil wells	1,071	1,196	1,222	1,151	1,295	1,347	1,423
5	Manufacturing	6,779	7,605	7,904	7,753	8,270	8,316	8,496
6	Construction	1,385	1,752	1,935	1,974	1,896	1,813	1,797
7	Transportation	1,719	1,983	2,032	1,940	2,117	2,092	2,151
8	Storage	68	79	77	80	90	86	87
9	Communication	473	532	581	623	687	723	758
10	Electric power, gas, and water utilities	664	768	879	935	1,014	1,075	1,120
11	Wholesale trade	1,080	1,260	1,371	1,387	1,480	1,477	1,525
12	Retail trade	2,243	2,437	2,573	2,787	2,916	3,000	3,112
13	Finance, insurance, and real estate ²	2,298	2,337	2,646	2,911	3,128	3,329	3,474
14	Public administration and defence	1,590	1,738	1,928	2,100	2,200	2,341	2,529
15	Service	2,666	2,969	3,255	3,537	3,846	4,086	4,392
16	Totals	24,326	27,189	28,455	29,354	31,065	31,938	32,837

¹ For a reconciliation between Gross National Product at market prices and gross domestic product at factor cost, see Table 4. It should be noted that the data for wages, salaries, and supplementary labour income; and the inventory valuation adjustment are on an establishment basis, while the data for net income of unincorporated business; investment income; and capital consumption allowances and miscellaneous valuation adjustments are on a company basis.

Details by industry on capital consumption allowances and miscellaneous valuation adjustments, and the inventory valuation adjustment are not given pending further research, and Tables 22 to 24 are therefore not additive to the above data.

² This group includes ownership of dwellings.

TABLE 22. Wages, Salaries, and Supplementary Labour Income, by Industry, 1955-61¹

Line No.		1955	1956	1957	1958	1959	1960	1961
millions of dollars								
1	Agriculture	161	172	172	178	182	191	202
2	Forestry	342	388	354	288	307	346	306
3	Fishing and trapping	20	23	21	26	23	23	25
4	Mining, quarrying, and oil wells	457	528	569	561	587	588	582
5	Manufacturing	4,299	4,766	5,034	5,029	5,303	5,410	5,581
6	Construction	936	1,239	1,341	1,346	1,309	1,281	1,261
7	Transportation	1,123	1,247	1,306	1,302	1,384	1,374	1,415
8	Storage	44	49	53	55	61	60	60
9	Communication	303	342	385	413	427	452	473
10	Electric power, gas, and water utilities	212	249	288	320	345	357	371
11	Wholesale trade	739	830	919	953	1,019	1,071	1,109
12	Retail trade	1,187	1,304	1,420	1,488	1,592	1,658	1,724
13	Finance, insurance, and real estate	554	619	698	734	772	827	885
14	Public administration and defence ¹	1,590	1,738	1,928	2,100	2,200	2,341	2,529
15	Service	1,650	1,820	2,006	2,219	2,448	2,649	2,911
16	Totals	13,617	15,314	16,494	17,012	17,959	18,628	19,434

¹ Includes military pay and allowances.

TABLE 23. Investment Income, by Industry, 1955-61¹

Line No.		1955	1956	1957	1958	1959	1960	1961
millions of dollars								
1	Agriculture	44	48	52	55	54	61	62
2	Forestry	21	17	5	7	11	10	9
3	Fishing and trapping	—	—	—	—	1	—	—
4	Mining, quarrying, and oil wells	342	402	344	265	330	370	428
5	Manufacturing	1,552	1,722	1,583	1,508	1,728	1,568	1,639
6	Construction	86	122	167	190	156	144	142
7	Transportation	215	263	185	131	195	172	172
8	Storage	12	16	9	13	17	14	13
9	Communication	74	81	72	107	146	154	164
10	Electric power, gas, and water utilities	301	334	369	383	423	449	472
11	Wholesale trade	244	325	295	273	300	252	256
12	Retail trade	319	379	391	441	466	431	442
13	Finance, insurance, and real estate	1,178	1,129	1,280	1,528	1,661	1,783	1,865
14	Public administration and defence	—	—	—	—	—	—	—
15	Service	189	218	244	252	279	280	290
16	Totals	4,577	5,056	4,996	5,153	5,767	5,688	5,954

¹ The total of this table does not agree with the sum of corporation profits; and rent, interest, and miscellaneous investment income in Table 1. Data in Table 1 are on a national concept basis, while the data in this table are on a domestic concept basis. Interest and dividends paid to non-residents are included in this table and interest and dividends received from non-residents are excluded from this table.

TABLE 24. Accrued Net Income of Farm Operators from Farm Production and Net Income of Non-Farm Unincorporated Business, by Industry, 1955-61

Line No.		1955	1956	1957	1958	1959	1960	1961
millions of dollars								
1	Agriculture	1,264	1,450	1,026	1,200	1,118	1,194	937
2	Forestry	62	54	35	29	29	31	27
3	Fishing and trapping	39	49	38	57	47	45	49
4	Mining, quarrying, and oil wells	6	6	6	6	6	6	6
5	Manufacturing	151	176	179	172	171	175	188
6	Construction	264	270	281	283	295	253	256
7	Transportation	66	71	66	72	79	81	86
8	Storage; communication; and electric power, gas, and water utilities	—	—	—	—	—	—	—
9	Retail trade	488	544	577	612	628	647	654
10	Wholesale trade	55	59	48	60	62	50	52
11	Finance; insurance, and real estate	63	68	67	69	70	61	68
12	Service	597	668	711	765	805	841	863
13	Totals	3,055	3,415	3,034	3,325	3,310	3,384	3,186

TABLE 25. Business Gross Fixed Capital Formation, by Industry, 1955-61¹

Line No.		1955	1956	1957	1958	1959	1960	1961
millions of dollars								
1	Agriculture	426	488	434	465	539	550	521
2	Fishing and trapping							
3	Forestry							
4	Mining, quarrying, and oil wells							
5	Manufacturing	947	1,394	1,479	1,095	1,144	1,178	1,024
6	Construction	174	200	158	157	145	130	132
7	Transportation	395	731	1,042	967	746	704	638
8	Storage ²							
9	Communication ³	219	254	312	336	325	377	341
10	Electric power, gas, and water utilities ²	516	772	949	845	766	686	677
11	Trade	329	325	370	356	363	381	329
12	Finance, insurance, and real estate ⁴	1,480	1,650	1,545	1,943	2,001	1,722	1,765
13	Service ⁵	325	342	392	436	475	510	566
14	Totals	5,210	6,774	7,335	6,975	6,894	6,692	6,493

¹ This table is derived from *Private and Public Investment in Canada, 1946-1957* and *Private and Public Investment in Canada, Outlook, 1960, 1961 and 1962*. Additional detail has been provided by the D.B.S. Business Finance Division and adjustments have been made to classify the data according to National Accounting concepts. (See reconciliation statement, Table 54). For an industrial distribution of both private and public investment see Table 3 and Table 1 respectively in the aforementioned publications.

² In accordance with the Standard Industrial Classification, outlays for investment of grain elevators are included in the storage industry. Prior to 1954 this item was assigned to the electric power, gas and water utilities industry. To facilitate historical comparison of the affected industries, the grain elevators investment figures are as follows: 1955, \$11 million; 1956, \$14 million; 1957, \$10 million; 1958, \$12 million; 1959, \$24 million; 1960, \$16 million; and 1961, \$19 million.

³ Excludes investment expenditures by the Canadian Broadcasting Corporation, which are included in "Government expenditure on goods and services".

⁴ Includes all new residential construction, (exclusive of government other than government business enterprises). See line 6, Table 2.

⁵ Excludes expenditures by government departments and government operated institutions which are included with "government expenditure on goods and services". Expenditures of government business enterprises (railways, power commissions, etc.) are included under appropriate industry headings.

TABLE 26. Value of Physical Change in Inventories, by Industry, 1955-61

Line No.		1955	1956	1957	1958	1959	1960	1961
millions of dollars								
1	Agriculture	198	241	-125	- 92	-76	15	-314
2	Forestry	9	3	4	- 21	12	13	-
3	Fishing and trapping	-	-	-	-	-	-	-
4	Mining, quarrying, and oil wells	- 6	15	43	45	- 2	14	27
5	Manufacturing	- 6	433	140	-149	151	66	21
6	Construction	18	29	- 9	- 10	11	5	6
7	Transportation	-32	28	8	- 20	7	-15	- 9
8	Storage							
9	Communication							
10	Electric power, gas, and water utilities	- 2	16	20	- 7	- 9	2	3
	Trade:							
11	Grain in commercial channels	-20	35	51	- 33	12	70	-133
12	Wholesale (excluding grain commercial channels) ..	47	127	71	- 44	119	15	64
13	Retail	109	155	27	10	125	174	96
14	Finance, insurance, and real estate	- 4	2	1	- 1	-	-	1
15	Service							
16	Totals	311	1,084	231	-322	350	359	-238

TABLE 27. Corporation Profits, by Industry, 1955 - 61

Line No.		1955	1956	1957	1958	1959	1960	1961
		millions of dollars						
1	Agriculture	21	16	5	9	10	13	12
2	Forestry							
3	Fishing and trapping							
4	Mining, quarrying, and oil wells	325	382	322	246	310	348	404
5	Manufacturing	1,515	1,646	1,469	1,401	1,651	1,462	1,538
6	Construction	77	106	150	173	135	120	117
7	Transportation	144	177	145	96	131	122	118
8	Storage	11	15	8	12	16	13	12
9	Communication	43	48	47	81	118	122	132
10	Electric power, gas, and water utilities	55	60	61	57	69	76	81
11	Wholesale trade	222	295	262	241	262	210	213
12	Retail trade	170	213	209	241	262	221	223
13	Finance, insurance, and real estate	326	318	301	445	451	500	521
14	Service	56	69	77	73	83	70	67
15	Totals¹	2,965	3,345	3,056	3,075	3,498	3,277	3,438

¹ For an analysis of total corporation profits see Table 50.

SECTION C

GEOGRAPHICAL DISTRIBUTION OF PERSONAL INCOME

TABLE 28. Personal Income, Geographical Distribution, 1955 - 61¹

Line No.		1955	1956	1957	1958	1959	1960	1961
		millions of dollars						
1	Newfoundland	277	311	329	343	363	393	414
2	Prince Edward Island	69	78	76	85	92	101	100
3	Nova Scotia	627	675	721	757	801	839	878
4	New Brunswick	450	497	513	541	571	616	630
5	Quebec	4,847	5,318	5,742	6,071	6,341	6,651	7,004
6	Ontario	7,918	8,617	9,399	9,978	10,540	10,905	11,405
7	Manitoba	999	1,126	1,132	1,262	1,324	1,375	1,361
8	Saskatchewan	1,022	1,226	1,019	1,107	1,171	1,328	1,095
9	Alberta	1,410	1,635	1,660	1,850	1,927	2,004	2,107
10	British Columbia	2,064	2,332	2,527	2,608	2,749	2,863	2,947
11	Yukon and Northwest Territories	31	43	42	39	42	43	46
12	Foreign Countries ²	24	27	31	34	51	60	62
13	Canada	19,738	21,885	23,191	24,675	25,972	27,178	28,049

¹ Geographical distributions of only the main components of personal income are given in Tables 31 to 35 inclusive; these tables, therefore, do not add to the total of personal income.

² Includes receipts of income of Canadians temporarily abroad, including pay and allowances of Canadian armed forces abroad.

TABLE 29. Personal Income per Person, Geographical Distribution, 1955 - 61

Line No.		1955	1956	1957	1958	1959	1960	1961
		dollars						
1	Newfoundland	682	749	776	794	823	877	904
2	Prince Edward Island	690	788	768	850	911	981	952
3	Nova Scotia	918	971	1,029	1,068	1,114	1,154	1,191
4	New Brunswick	823	895	913	947	981	1,046	1,054
5	Quebec	1,073	1,149	1,204	1,238	1,262	1,293	1,332
6	Ontario	1,504	1,594	1,668	1,714	1,766	1,784	1,829
7	Manitoba	1,191	1,325	1,313	1,442	1,486	1,518	1,476
8	Saskatchewan	1,164	1,392	1,158	1,242	1,291	1,451	1,184
9	Alberta	1,292	1,456	1,426	1,534	1,544	1,552	1,582
10	British Columbia	1,538	1,667	1,705	1,696	1,754	1,787	1,809
11	Yukon and Northwest Territories	1,069	1,387	1,355	1,182	1,235	1,194	1,243
12	Canada	1,257	1,361	1,396	1,445	1,486	1,521	1,538

TABLE 30. Personal Disposable Income,¹ Geographical Distribution, 1955 - 61

Line No.		1955	1956	1957	1958	1959	1960	1961
millions of dollars								
1	Newfoundland	264	294	311	329	347	375	394
2	Prince Edward Island	67	75	73	83	89	97	96
3	Nova Scotia	601	644	680	719	761	788	830
4	New Brunswick	431	474	484	504	531	573	593
5	Quebec	4,463	4,900	5,281	5,667	5,892	6,144	6,453
6	Ontario	7,219	7,774	8,536	9,153	9,543	9,785	10,222
7	Manitoba	933	1,051	1,054	1,180	1,222	1,263	1,238
8	Saskatchewan	964	1,178	949	1,037	1,094	1,244	1,002
9	Alberta	1,323	1,536	1,530	1,726	1,787	1,847	1,939
10	British Columbia	1,922	2,160	2,306	2,412	2,529	2,606	2,674
11	Yukon and Northwest Territories	28	40	39	36	39	39	42
12	Foreign Countries ²	24	27	31	34	51	60	62
13	Canada	18,239	20,153	21,274	22,880	23,885	24,821	25,545

¹ Personal disposable income consists of total personal income less personal direct taxes.

² Taxes paid by Canadians temporarily abroad cannot be estimated and all direct taxes are allocated to provincial personal incomes only.

TABLE 31. Wages, Salaries, and Supplementary Labour Income,¹ Geographical Distribution, 1955 - 61

Line No.		1955	1956	1957	1958	1959	1960	1961
millions of dollars								
1	Newfoundland	191	215	226	222	236	258	275
2	Prince Edward Island	33	36	38	38	42	45	49
3	Nova Scotia	405	440	465	475	499	523	546
4	New Brunswick	293	327	332	340	362	384	401
5	Quebec	3,377	3,817	4,103	4,237	4,449	4,642	4,833
6	Ontario	5,546	6,198	6,741	6,973	7,352	7,571	7,911
7	Manitoba	635	700	738	771	829	858	885
8	Saskatchewan	445	499	534	567	603	615	640
9	Alberta	839	961	1,029	1,091	1,168	1,213	1,293
10	British Columbia	1,426	1,649	1,765	1,763	1,873	1,957	1,995
11	Yukon and Northwest Territories	26	39	37	34	38	40	42
12	Foreign Countries	7	9	10	10	12	13	14
13	Canada	13,223	14,890	16,018	16,521	17,463	18,119	18,884

¹ Excludes military pay and allowances, includes employer and employee contributions to social insurance and government pension funds.

**TABLE 32. Net Income Received by Farm Operators From Farm Production,¹
Geographical Distribution, 1955 - 61**

Line No.		1955	1956	1957	1958	1959	1960	1961
		millions of dollars						
1	Newfoundland	2	2	2	2	2	2	2
2	Prince Edward Island	11	13	9	12	12	13	6
3	Nova Scotia	15	16	15	13	13	14	13
4	New Brunswick	17	25	19	18	15	20	10
5	Quebec	218	186	176	194	182	180	191
6	Ontario	316	297	307	360	297	306	312
7	Manitoba	82	127	75	119	102	96	44
8	Saskatchewan	296	443	192	191	220	304	67
9	Alberta	197	273	181	237	228	201	208
10	British Columbia	46	48	50	55	52	52	56
11	Yukon and Northwest Territories	—	—	—	—	—	—	—
12	Canada	1,200	1,430	1,026	1,201	1,123	1,188	909

¹ This item differs from line 6 Table 1, by excluding the adjustment which has been made to take account of the accrued earnings arising out of the operations of the Canadian Wheat Board.

**TABLE 33. Net Income of Non-Farm Unincorporated Business, Geographical Distribution
1955 - 61**

Line No.		1955	1956	1957	1958	1959	1960	1961
		millions of dollars						
1	Newfoundland	29	33	35	34	38	41	41
2	Prince Edward Island	8	10	10	12	13	13	13
3	Nova Scotia	69	75	76	82	84	83	85
4	New Brunswick	50	52	48	54	56	57	57
5	Quebec	395	439	451	465	496	490	512
6	Ontario	688	736	752	801	813	798	820
7	Manitoba	101	109	114	120	130	133	134
8	Saskatchewan	89	104	112	114	117	125	126
9	Alberta	135	155	162	176	179	190	194
10	British Columbia	224	250	246	265	264	258	265
11	Yukon and Northwest Territories	3	2	2	2	2	2	2
12	Canada	1,791	1,965	2,008	2,125	2,192	2,190	2,249

**TABLE 34. Interest, Dividends, and Net Rental Income of Persons,
Geographical Distribution, 1955-61**

Line No.		1955	1956	1957	1958	1959	1960	1961
millions of dollars								
1	Newfoundland	17	18	18	19	22	22	23
2	Prince Edward Island	6	6	6	6	7	8	8
3	Nova Scotia	46	48	54	55	62	66	69
4	New Brunswick	33	34	39	40	45	49	50
5	Quebec	439	446	514	530	601	647	680
6	Ontario	828	850	966	1,051	1,157	1,244	1,303
7	Manitoba	86	94	99	106	118	128	133
8	Saskatchewan	78	83	72	76	89	104	92
9	Alberta	122	129	137	149	168	178	186
10	British Columbia	184	199	235	244	281	295	305
11	Yukon and Northwest Territories	1	1	1	1	1	1	1
12	Canada	1,840	1,908	2,141	2,277	2,551	2,742	2,850

**TABLE 35. Government Transfer Payments, Excluding Interest, Geographical Distribution,
1955-61**

Line No.		1955	1956	1957	1958	1959	1960	1961
millions of dollars								
1	Newfoundland	42	47	50	67	67	73	77
2	Prince Edward Island	11	11	12	16	16	20	21
3	Nova Scotia	72	73	85	105	114	125	134
4	New Brunswick	59	62	77	92	95	109	116
5	Quebec	467	483	555	709	683	785	885
6	Ontario	541	549	655	811	954	1,049	1,119
7	Manitoba	90	89	100	142	147	167	174
8	Saskatchewan	121	105	117	168	154	193	183
9	Alberta	118	121	152	203	198	241	247
10	British Columbia	214	224	270	320	324	356	384
11	Yukon and Northwest Territories	1	1	2	3	3	2	2
12	Foreign Countries	1	1	1	1	1	1	1
13	Canada	1,737	1,766	2,076	2,637	2,756	3,121	3,343

SECTION D

GOVERNMENT SUPPLEMENTARY TABLES

TABLE 36. Government Revenue and Expenditure, by Level of Government, 1955 - 61¹
Revenue

Line No.		1955	1956	1957	1958	1959	1960	1961
		millions of dollars						
1	Direct taxes — Persons	1,499	1,732	1,917	1,795	2,087	2,357	2,504
2	Federal	1,325	1,550	1,723	1,581	1,770	2,016	2,132
3	Provincial	159	165	176	195	297	319	349
4	Municipal	15	17	18	19	20	22	23
5	Direct taxes — Corporations	1,272	1,413	1,337	1,315	1,580	1,562	1,610
6	Federal ²	1,210	1,334	1,132	1,075	1,308	1,284	1,320
7	Provincial ³	62	79	205	240	272	278	290
	Withholding taxes							
8	Federal	67	69	83	48	72	77	109
9	Indirect taxes	3,319	3,759	3,977	4,028	4,455	4,681	4,893
10	Federal	1,744	1,972	1,990	1,912	2,131	2,181	2,190
11	Provincial	739	846	937	960	1,040	1,085	1,214
12	Municipal	836	941	1,050	1,156	1,284	1,415	1,489
13	Investment income	753	834	849	937	998	1,058	1,112
14	Federal	267	296	276	327	350	384	406
15	Provincial	309	346	367	390	412	422	441
16	Municipal	177	192	206	220	236	252	265
17	Employer and employee contributions to social insurance and government pension funds	476	532	590	615	651	735	781
18	Federal	324	357	384	391	413	474	507
19	Provincial	140	162	192	202	216	237	249
20	Municipal	12	13	14	22	22	24	25
21	Transfers from other levels of government	799	865	1,001	1,225	1,522	1,725	1,976
22	Provinces — From Canada	443	476	505	640	855	966	1,092
23	From municipalities	22	18	28	17	24	16	20
24	Municipalities — From Canada	7	9	16	23	21	28	31
25	From provinces	327	362	452	545	622	715	833
26	Total revenue	8,185	9,204	9,754	9,963	11,365	12,195	12,985
27	Federal	4,937	5,578	5,588	5,334	6,044	6,416	6,664
28	Provincial	1,874	2,092	2,410	2,644	3,116	3,323	3,655
29	Municipal	1,374	1,534	1,756	1,985	2,205	2,456	2,666

¹ For total government revenue and expenditure excluding inter-governmental transfers, see Tables 9 and 10.

² For details of tax collections and tax liabilities, see Table 50.

³ See footnote 2, Table 50.

TABLE 37. Government Revenue and Expenditure, by Level of Government, 1955-61¹
Expenditure

Line No.		1955	1956	1957	1958	1959	1960	1961
millions of dollars								
1	Goods and services	4,792	5,386	5,722	6,180	6,449	6,683	7,183
2	Federal ²	2,510	2,683	2,728	2,854	2,825	2,728	2,970
3	Provincial	846	1,041	1,128	1,222	1,346	1,442	1,529
4	Municipal	1,436	1,662	1,866	2,104	2,278	2,513	2,684
5	Transfer payments to persons (excluding interest on the public debt)	1,737	1,766	2,076	2,637	2,756	3,121	3,343
6	Federal	1,232	1,224	1,463	1,899	1,791	1,980	2,014
7	Provincial	463	500	564	677	895	1,060	1,239
8	Municipal	42	42	49	61	70	81	90
9	Interest on the public debt	669	714	739	782	954	1,079	1,126
10	Federal	494	524	519	544	678	756	783
11	Provincial	97	105	114	119	127	151	153
12	Municipal	78	85	106	119	149	172	185
13	Subsidies	82	123	116	146	204	235	250
14	Federal	75	118	108	131	188	209	220
15	Provincial	7	5	8	15	16	26	30
16	Transfers to other levels of governments	799	865	1,001	1,225	1,522	1,725	1,976
17	Canada—To provinces	443	476	505	640	855	966	1,092
18	To municipalities	7	9	16	23	21	28	31
19	Provinces—To municipalities	327	362	452	545	622	715	833
20	Municipalities—To provinces	22	18	28	17	24	16	20
21	Total expenditure	8,079	8,854	9,654	10,970	11,885	12,843	13,878
22	Federal	4,761	5,034	5,339	6,091	6,358	6,667	7,110
23	Provincial	1,740	2,013	2,266	2,578	3,006	3,394	3,789
24	Municipal	1,578	1,807	2,049	2,301	2,521	2,782	2,979
25	Deficit (-) or surplus (+)	106	350	100	-1,007	-520	-648	-893
26	Federal ³	176	544	249	- 757	-314	-251	-446
27	Provincial	134	79	144	66	110	- 71	-134
28	Municipal	-204	-273	-293	- 316	-316	-326	-313
29	Total expenditure minus deficit (or plus surplus)..	8,185	9,204	9,754	9,963	11,365	12,195	12,985
30	Federal	4,937	5,578	5,588	5,334	6,044	6,416	6,664
31	Provincial	1,874	2,092	2,410	2,644	3,116	3,323	3,655
32	Municipal	1,374	1,534	1,756	1,985	2,205	2,456	2,666

¹ For total government revenue and expenditure excluding inter-governmental transfers, see Tables 9 and 10.

² Defence expenditures included in these figures are as follows: 1955, \$1,760 million; 1956, \$1,802 million; 1957, \$1,765 million; 1958, \$1,661 million; 1959, \$1,560 million; 1960, \$1,548 million; and 1961, \$1,617 million.

³ For the difference between this item and the conventional budgetary surplus or deficit, see reconciliation, Table 53.

TABLE 38. Direct Taxes — Persons, 1955-61

Line No.		1955	1956	1957	1958	1959	1960	1961
millions of dollars								
	Federal:							
1	Income	1,269	1,461	1,652	1,509	1,692	1,917	2,050
2	Succession duties and estate taxes	55	88	69	70	76	97	80
3	Miscellaneous	1	1	2	2	2	2	2
4	Totals	1,325	1,550	1,723	1,581	1,770	2,016	2,132
	Provincial:							
5	Income	28	35	41	45	52	61	76
6	Motor vehicle licences and permits ¹	36	47	50	51	58	64	68
7	Succession duties	72	58	57	56	54	61	66
8	Hospital insurance premiums	9	7	10	24	113	112	119
9	Miscellaneous	14	18	18	19	20	21	20
10	Totals	159	165	176	195	297	319	349
	Municipal:							
11	Miscellaneous	15	17	18	19	20	22	23
12	Grand totals	1,499	1,732	1,917	1,795	2,087	2,357	2,504

¹ Personal share only. The business share is treated as an indirect tax.

TABLE 39. Direct Taxes — Corporations, 1955-61

Line No.		1955	1956	1957	1958	1959	1960	1961
		millions of dollars						
	Federal:							
1	Income	1,210	1,334	1,132	1,075	1,308	1,284	1,320
	Provincial:							
2	Income ¹	51	63	184	218	254	250	264
3	Tax on mining and logging profits	11	16	21	22	18	28	26
4	Totals	62	79	205	240	272	278	290
5	Grand totals	1,272	1,413	1,337	1,315	1,580	1,562	1,610

¹ See footnote 2, Table 50.

TABLE 40. Indirect Taxes, 1955-61

Line No.		1955	1956	1957	1958	1959	1960	1961
		millions of dollars						
	Federal:							
1	Banks and insurance companies	14	15	17	—	—	—	—
2	Customs import duties	452	545	523	478	520	515	515
3	Excise duties	242	267	287	313	332	345	358
4	Excise taxes	1,028	1,131	1,150	1,107	1,255	1,304	1,302
5	Miscellaneous	8	14	13	14	24	17	15
6	Totals	1,744	1,972	1,990	1,912	2,131	2,181	2,190
	Provincial:							
7	Amusement	21	21	21	22	22	23	24
8	Corporation tax (not on profits)	18	22	24	26	28	32	33
9	Gasoline	261	290	339	355	380	398	430
10	Licences, fees, and permits	24	25	26	26	29	28	31
11	Motor vehicle licences and permits ¹	61	78	78	85	91	101	107
12	Miscellaneous taxes on natural resources	104	119	125	117	132	137	134
13	Real property	9	8	8	8	8	8	8
14	Retail sales tax (including liquor and tobacco) ..	158	191	204	204	227	233	308
15	Miscellaneous	83	92	112	117	123	125	139
16	Totals	739	846	937	960	1,040	1,085	1,214
	Municipal:							
17	Amusement	2	2	2	2	2	2	2
18	Licences, fees, and permits	26	27	29	30	33	35	36
19	Real property	682	765	861	939	1,035	1,138	1,216
20	Retail sales tax	44	52	53	59	74	82	68
21	Miscellaneous	82	95	105	126	140	158	167
22	Totals	836	941	1,050	1,156	1,284	1,415	1,489
23	Grand totals	3,319	3,759	3,977	4,028	4,455	4,681	4,893

¹ Business share only. The personal share is treated as a direct tax.

TABLE 41. Government Investment Income, 1955-61

Line No.		1955	1956	1957	1958	1959	1960	1961
		millions of dollars						
	Federal:							
1	Interest on government-held public funds	68	77	86	101	107	108	109
2	Interest on loans, advances and investments	60	55	63	102	128	148	160
3	Profits (net of losses) of government business enterprises	139	164	127	124	115	128	137
4	Totals	267	296	276	327	350	384	406
	Provincial:							
5	Interest on government-held public funds	38	41	47	54	61	66	72
6	Interest on loans, advances and investments	43	53	60	66	77	89	87
7	Profits (net of losses) of government business enterprises	228	252	260	270	274	267	282
8	Totals	309	346	367	390	412	422	441
	Municipal:							
9	Interest on government-held public funds	8	9	9	10	12	14	14
10	Interest on loans, advances and investments	21	23	28	30	36	41	44
11	Profits (net of losses) of government business enterprises	148	160	169	180	188	197	207
12	Totals	177	192	206	220	236	252	265
13	Grand totals	753	834	849	937	998	1,058	1,112

TABLE 42. Employer and Employee Contributions to Social Insurance and Government Pension Funds, 1955-61

Line No.		1955	1956	1957	1958	1959	1960	1961
		millions of dollars						
	Federal:							
1	Public service pensions	159	173	193	206	209	196	230
2	Unemployment insurance	165	184	191	185	204	278	277
3	Totals	324	357	384	391	413	474	507
	Provincial:							
4	Public service pensions	49	54	66	78	90	102	112
5	Workmen's compensation	77	90	106	104	105	114	115
6	Industrial employee's vacations	14	18	20	20	21	21	22
7	Totals	140	162	192	202	216	237	249
	Municipal:							
8	Public service pensions	12	13	14	22	22	24	25
9	Grand totals	476	532	590	615	631	735	781

TABLE 43. Government Expenditure on Goods and Services, 1955-61

Line No.		1955	1956	1957	1958	1959	1960	1961
		millions of dollars						
	Federal:							
1	Wages, salaries, and supplementary labour income	664	736	810	870	892	935	1,006
2	Military pay and allowances	394	424	476	491	496	509	550
3	Other purchases of goods and services	1,452	1,523	1,442	1,493	1,437	1,284	1,414
4	Totals¹	2,510	2,683	2,728	2,854	2,825	2,728	2,970
	Provincial:							
5	Wages, salaries, and supplementary labour income	350	390	437	501	537	614	653
6	Other purchases of goods and services	496	651	691	721	809	828	876
7	Totals¹	846	1,041	1,128	1,222	1,346	1,442	1,529
	Municipal:							
8	Wages, salaries, and supplementary labour income	668	745	841	962	1,080	1,155	1,288
9	Other purchases of goods and services	768	917	1,025	1,142	1,198	1,358	1,396
10	Totals¹	1,436	1,662	1,866	2,104	2,278	2,513	2,684
11	Grand totals	4,792	5,386	5,722	6,180	6,449	6,683	7,183

¹ Include fixed capital formation by governments. The major portion of this fixed capital formation is in "other purchases of goods and services". A small portion of the total fixed capital formation is also in the line called "wages, salaries, and supplementary labour income" for work done by the governments' own work force. Fixed capital formation by levels of government is shown below:

	1955	1956	1957	1958	1959	1960	1961
	millions of dollars						
Federal	297	379	365	360	407	372	413
Provincial	351	460	535	518	568	612	615
Municipal	386	421	482	511	548	586	588
Totals	1,034	1,260	1,382	1,389	1,523	1,570	1,616

TABLE 44. Government Transfer Payments Including Interest, 1955-61

Line No.		1955	1956	1957	1958	1959	1960	1961
		millions of dollars						
	Federal:							
1	Family allowances	378	394	423	470	487	502	517
2	Re-establishment credits	4	3	2	2	2	3	2
3	Rehabilitation benefits	2	1	1	1	1	1	1
4	Pensions World Wars I and II ¹	119	119	128	137	137	136	158
5	War veterans' allowances	39	44	49	59	62	64	76
6	Unemployment insurance benefits	229	210	305	492	406	482	494
7	Prairie farm assistance act	33	5	2	21	21	25	35
8	Pensions to government employees	38	42	46	50	56	62	68
9	Interest on the public debt	494	524	519	544	678	756	783
10	Old age security fund payments	363	376	433	555	571	587	603
11	Payments to western grain producers				39	2	40	—
12	Grants to universities ²	27	30	28	30	—	29	16
13	Assistance to immigrants			14	9	2	2	2
14	Miscellaneous			32	34	44	47	42
15	Totals	1,726	1,748	1,982	2,443	2,469	2,736	2,797
	Provincial:							
16	Direct relief	17	20	18	14	17	25	32
17	Workmen's compensation benefits	62	70	76	80	85	92	98
18	Old age and blind pensions	57	60	64	79	80	80	91
19	Mothers' and disabled persons allowances	33	37	48	68	73	72	80
20	Pensions to government employees	23	25	28	31	35	38	41
21	Grants to private non-commercial institutions	248	264	290	365	567	703	853
22	Interest on the public debt	97	105	114	119	127	151	158
23	Miscellaneous	23	24	40	40	38	50	44
24	Totals	560	603	678	796	1,022	1,211	1,397
	Municipal:							
25	Direct relief	18	19	23	33	44	53	60
26	Pensions to government employees	7	7	6	10	7	8	9
27	Grants to private non-commercial institutions	17	16	20	18	19	20	21
28	Interest on the public debt	78	85	106	119	149	172	185
29	Totals	120	127	155	180	219	253	275
30	Grand totals	2,406	2,480	2,815	3,419	3,710	4,200	4,469

¹ Excludes pensions paid to non-residents, which are treated as government expenditure on goods and services. The amounts in the terminal years 1955 and 1961 were \$12 million and \$15 million, respectively.

² These consist only of grants made on a per capita basis.

TABLE 45. Subsidies, 1955 - 61

Line No.		1955	1956	1957	1958	1959	1960	1961
		millions of dollars						
	Federal:							
	Agricultural:							
1	Freight assistance on western feed grains	16	17	17	19	22	20	18
2	Hog premiums	6	6	6	6	8	7	7
3	Agricultural commodities stabilization board loss	6	5	6	15	58	53	23
4	Assistance re storage costs on grain	—	44	32	37	42	47	46
5	Miscellaneous	2	1	2	3	1	2	1
6	Sub-totals	30	73	63	80	131	129	95
	Other subsidies:							
7	Emergency gold mines assistance	11	9	9	10	13	12	12
8	Maritime Freight Rates Act	11	12	12	15	14	14	13
9	Movement of coal	11	9	9	9	13	17	17
10	Miscellaneous	12	15	15	17	17	37	83
11	Sub-totals	45	45	45	51	57	80	125
12	Total federal subsidies	75	118	108	131	188	209	220
13	Total provincial subsidies	7	5	8	15	16	26	30
14	Grand totals	82	123	116	146	204	235	250

TABLE 46. Transfers to Other Levels of Government, 1955 - 61

Line No.		1955	1956	1957	1958	1959	1960	1961
		millions of dollars						
	Federal:							
	To provinces:							
1	Old age and blind pensions	21	24	24	34	35	35	35
2	Disabled persons allowances	4	7	9	15	16	16	16
3	Statutory grants	20	20	21	21	21	21	21
4	Taxation agreements ¹	329	359	362	421	464	507	510
5	Health grants to provinces	34	34	33	39	52	47	52
6	Trans-Canada highway	20	17	38	55	50	51	42
7	Government contribution under the Hospital Insurance and Diagnostic Services Act	—	—	—	17	130	171	265
8	Unemployment assistance	—	4	6	18	31	48	80
9	Other	15	11	12	20	56	70	71
10	Sub-totals	443	476	505	640	855	966	1,092
	To municipalities:							
11	Payments to municipalities	7	9	16	23	21	28	31
12	Totals	450	485	521	663	876	994	1,123
	Provincial:							
13	To municipalities	327	362	452	545	622	715	833
	Municipal:							
14	To provinces	22	18	28	17	24	16	20
15	Grand totals	799	865	1,001	1,225	1,522	1,725	1,976

¹ These data are after deduction of refunds to the federal government by the provinces on account of Succession duty credits pursuant to the Tax Rental Agreements Act. These amounted to \$4 million in 1958, \$12 million in 1959, \$3 million in 1960 and \$3 million in 1961.

SECTION E

MISCELLANEOUS TABLES

TABLE 47. Personal Expenditure on Consumer Goods and Services, 1955 - 61

Line No.		1955	1956	1957	1958	1959	1960	1961
. millions of dollars								
1	Food	4,236	4,571	4,951	5,236	5,466	5,700	5,805
2	Tobacco and alcoholic beverages	1,181	1,278	1,370	1,441	1,552	1,601	1,640
3	Tobacco products and smokers' accessories	480	527	570	616	683	702	719
4	Alcoholic beverages	701	751	800	825	869	899	921
5	Clothing and personal furnishings	1,900	2,037	2,098	2,179	2,262	2,358	2,403
6	Men's and boys' clothing	430	463	470	482	500	521	532
7	Women's and children's clothing	808	871	898	933	967	998	1,016
8	Footwear	231	242	252	269	284	307	307
9	Laundry and dry cleaning	142	156	166	172	180	195	208
10	Other	289	305	312	323	331	337	340
11	Shelter ¹	2,454	2,621	2,906	3,154	3,437	3,627	3,804
12	Gross rents paid by tenants	694	729	797	854	924	977	1,028
13	Expenses (taxes, insurance, etc.) paid by owner-occupants	788	911	1,038	1,159	1,288	1,416	1,524
14	Net imputed residential rent and imputed residential capital consumption allowances	770	760	839	903	978	986	1,007
15	Other	202	221	232	238	247	248	245
16	Household operation	2,272	2,509	2,593	2,701	2,875	2,912	3,000
17	Fuel	358	415	425	423	441	421	421
18	Electricity	212	235	257	279	306	332	334
19	Gas	47	52	60	72	93	108	121
20	Telephone	188	221	241	257	285	307	330
21	Furniture	284	315	307	310	324	307	310
22	Home furnishings	224	245	251	259	274	274	284
23	Appliances, radios and television sets	460	491	489	494	512	489	503
24	Other	499	535	563	607	640	674	697
25	Transportation	2,023	2,211	2,346	2,511	2,724	2,804	2,834
26	Street-car, railway and other fares	317	338	368	377	402	412	421
27	New automobiles, used automobiles (net) and house trailers	1,018	1,090	1,092	1,130	1,234	1,258	1,263
28	Automotive operating expenses	688	783	886	1,004	1,088	1,134	1,150
29	Personal and medical care and death expenses	1,166	1,316	1,437	1,611	1,769	1,911	2,041
30	Medical and dental care	240	280	306	346	370	395	415
31	Hospital care, private duty nursing, accident and sickness insurance, prepaid medical care	440	490	546	626	719	804	900
32	Other	486	546	585	639	680	712	726
33	Miscellaneous	2,157	2,290	2,371	2,412	2,410	2,454	2,726
34	Motion picture theatres ²	86	81	77	75	68	66	66
35	Newspapers and magazines	182	184	196	212	220	228	237
36	Net expenditure abroad	156	204	204	236	255	253	212
37	Other	1,733	1,821	1,894	1,889	1,867	1,907	2,211
38	Grand totals	17,389	18,833	20,072	21,245	22,495	23,367	24,253
39	Durable goods	2,245	2,431	2,430	2,499	2,678	2,667	2,694
40	Major durable goods ³	1,986	2,142	2,139	2,194	2,344	2,329	2,360
41	Miscellaneous durable goods ⁴	259	289	291	305	334	338	334
42	Non-durable goods ⁵	9,065	9,736	10,402	10,878	11,303	11,699	12,139
43	Services ^{5,6}	6,079	6,666	7,240	7,868	8,514	9,001	9,420

¹ Excludes transients' shelter.² Excludes amusement taxes.³ Includes house trailers, new automobiles, net expenditure on used automobiles, home furnishings, furniture and appliances, radios and television sets.⁴ Includes jewellery, watches, clocks, silverware, toys, sporting and wheeled goods, and tools and garden equipment.⁵ Beginning with the year 1955, the classification of the items electricity and gas (items 18 and 19 above) was changed from services to non-durable goods.⁶ Includes net expenditure abroad.

TABLE 48. Personal Expenditure on Consumer Goods and Services in Constant (1957) Dollars,^{1,2} 1955 - 61

Line No.		1955	1956	1957	1958	1959	1960	1961
millions of dollars								
1	Food	4,485	4,767	4,951	5,062	5,314	5,519	5,572
2	Tobacco and alcoholic beverages	1,201	1,297	1,370	1,428	1,486	1,508	1,540
3	Clothing and personal furnishings	1,925	2,047	2,098	2,150	2,225	2,292	2,313
4	Shelter	2,621	2,725	2,906	3,073	3,281	3,403	3,519
5	Household operation ^{3,4}	2,309	2,547	2,593	2,670	2,811	2,842	2,947
6	Transportation	2,212	2,347	2,346	2,470	2,618	2,681	2,741
7	Personal and medical care and death expenses	1,268	1,390	1,437	1,549	1,650	1,746	1,855
8	Miscellaneous	2,306	2,358	2,371	2,305	2,245	2,221	2,372
9	Adjusting entry	-23	—	—	—	—	—	—
10	Grand totals	18,304	19,478	20,072	20,707	21,630	22,212	22,859
11	Durable goods	2,368	2,531	2,430	2,464	2,592	2,583	2,675
12	Non-durable goods ^{3,4}	9,404	9,996	10,402	10,642	11,028	11,343	11,669
13	Services ^{3,4,5}	6,537	6,951	7,240	7,601	8,010	8,286	8,515
14	Adjusting entry	- 5	—	—	—	—	—	—

¹ These data are given on a 1949 time base in Table 58 in order to provide continuity with Table 48 in "National Accounts, Income and Expenditure, 1926 - 1956".

² Annual data for the period from 1947 to 1954, on a 1957 time base, are available on request.

³ Personal expenditure on electricity and gas in constant (1957) dollars were as follows:

	1955	1956	1957	1958	1959	1960	1961
millions of dollars							
	255	286	317	349	395	430	443

⁴ See footnote 5, Table 47.

⁵ Includes net expenditure abroad.

TABLE 49. Imputed Items Included in Gross National Expenditure, 1955 - 61¹

Line No.		1955	1956	1957	1958	1959	1960	1961
millions of dollars								
Expenditure on consumer goods and services:								
Food:								
1	Farm consumed farm produce	179	170	168	173	170	173	172
2	Other ²	95	103	107	101	104	104	102
Shelter:								
3	Imputed net residential rent and imputed residential capital consumption allowances	770	760	839	903	978	986	1,007
4	Imputed lodging, non-residential ³	29	33	38	37	37	37	38
5	Other ⁴	153	159	178	185	191	202	216
6	Total of imputed items in consumer expenditure	1,226	1,225	1,330	1,399	1,480	1,502	1,535
Government expenditure on goods and services:								
7	Imputed gross rent on government-owned buildings	168	181	194	207	220	235	250
8	Total of imputed items	1,394	1,406	1,524	1,606	1,700	1,737	1,785

¹ All these items are also included in the various components of Gross National Product.

² Includes food issued to members of the armed forces and to employees in lieu of wages.

³ Lodging in bunk houses, ships, hotels, etc., furnished to employees in lieu of wages.

⁴ Includes clothing issued to the armed forces, wood fuel cut and used on farms, and estimated services rendered by banks without specific charge.

TABLE 50. Analysis of Corporation Profits, 1955-61

Line No.		1955	1956	1957	1958	1959	1960	1961
millions of dollars								
1	Corporation profits before taxes and before dividends paid to non-residents	2,965	3,345	3,056	3,075	3,498	3,277	3,438
2	Deduct: Corporation income tax liabilities ^{1,2}	-1,272	-1,413	-1,337	-1,315	-1,580	-1,562	-1,610
3	Federal excess of tax liabilities over collections	163	40	- 213	- 25	129	- 100	31
4	Provincial excess of tax liabilities over collections	-	-	-	1	14	- 25	5
5	Federal tax collections	1,047	1,294	1,345	1,100	1,179	1,384	1,289
6	Provincial tax collections	62	79	205	239	258	303	285
7	Corporation profits after taxes	1,693	1,932	1,719	1,760	1,918	1,715	1,828
8	Deduct: Dividends paid to non-residents	- 395	- 437	- 475	- 470	- 501	- 470	- 588
9	Corporation profits retained in Canada	1,298	1,495	1,244	1,290	1,417	1,245	1,240
10	Deduct: Dividends paid to Canadian persons	- 307	- 330	- 354	- 376	- 386	- 408	- 416
11	Charitable contributions from corporations	- 29	- 34	- 36	- 38	- 42	- 44	- 45
12	Undistributed corporation profits	962	1,131	854	876	989	793	779

¹ Includes elective tax on undistributed income of \$6 million in 1955, \$7 million in 1956 and \$6 million for each of the years 1957 to 1961, inclusive.

² For the years prior to 1958, provincial corporation income taxes shown throughout this publication are on a collections basis; from 1958 on they are on a liabilities basis.

TABLE 51. Capital Consumption Allowances and Miscellaneous Valuation Adjustments by "Form of Organization", 1956-61

Line No.		1955	1956	1957	1958	1959	1960	1961
millions of dollars								
1	Corporations	1,733	1,976	2,242	2,091	2,262	2,336	2,321
2	Individuals and unincorporated business	1,281	1,366	1,431	1,457	1,508	1,538	1,590
3	Government business enterprises	252	300	336	351	389	419	438
4	Capital consumption allowances and miscellaneous valuation adjustments ¹	3,266	3,642	4,009	3,899	4,159	4,293	4,349

¹ Including net bad debt allowances (charges less recoveries) as follows:

	1955	1956	1957	1958	1959	1960	1961
millions of dollars							
	40	41	43	46	50	53	55

SECTION F

RECONCILIATION STATEMENTS

TABLE 52. Accrued Net Income of Farm Operators from Farm Production, 1955-61
Reconciliation Statement

Line No.		1955	1956	1957	1958	1959	1960	1961
millions of dollars								
1	Net income of farm operators from farming operations ¹	1,290	1,458	1,058	1,338	1,199	1,320	1,006
2	Deduct: Amounts included in investment income ²	-45	-46	-47	-51	-54	-55	-56
3	Deduct: Transfer payments ³	-33	- 5	- 2	-60	-22	-77	-36
4	Other adjustments ⁴	-12	23	17	-26	-	-	- 5
5	Equals: Net income received by farm operators from farm production	1,200	1,430	1,026	1,201	1,123	1,188	909
6	Adjustment on grain transactions ⁵	64	20	-	- 1	- 5	6	28
7	Accrued net income of farm operators from farm production ⁶	1,264	1,450	1,026	1,200	1,118	1,194	937

¹ These figures are published by the Agriculture Division, Dominion Bureau of Statistics.

² Includes corporation profits in agriculture and imputed net rent of owner-occupied houses.

³ These items are deducted since transfer payments are excluded from Net National Income at factor cost. Includes payments made under the provisions of the Prairie Farm Assistance Act, Western Grain Producers' Acreage Payment Plan, Federal-Provincial Emergency Unthreshed Grain Assistance Act, and payments to P.E.I. potato growers for losses to the 1960 potato crop.

⁴ These adjustments consist of an estimate of net income of farm operators from farming operations in Newfoundland and an adjustment for the difference in the valuation of the physical change in inventories. The Agriculture Division values the change in the quantity of farm held grain at average annual prices, whereas the National Accounts estimates value this quantity change each quarter in terms of average quarterly prices. In addition, revisions have been made which have not yet been incorporated by the Agriculture Division.

⁵ Since the National Income measures earnings arising out of current production rather than receipts of income, it is appropriate to include in Table 1 income accruing to farm operators from farm production rather than income received. Accordingly, an adjustment has been made to take account of the accrued earnings of farm operators arising out of the operations of the Canadian Wheat Board.

⁶ See also line 6, Table 1.

TABLE 53. Federal Government Surplus or Deficit, 1955-61
Reconciliation of Federal Government Transactions Related to the National Accounts with
Public Accounts Data, 1955-61

Line No.		1955	1956	1957	1958	1959	1960	1961
millions of dollars								
Revenue								
1	Total budgetary revenue as per Public Accounts, for fiscal years ended March 31, 1955 to 1961 ¹	4,123	4,400	5,107	5,049	4,755	5,290	5,618
2	Adjustment of budgetary revenue from fiscal to a calendar year basis	113	553	116	-303	425	286	85
3	Non-relevant budgetary items omitted	- 21	- 37	- 68	- 22	- 23	- 17	- 22
4	Budgetary revenue items offset against expenditure per contra	- 74	- 64	- 68	- 84	-107	- 94	-101
5	Budgetary expenditure items offset against revenue per contra	-160	-141	-155	-189	-225	-232	-265
Extra-budgetary receipts—pension and social insurance funds:								
6	Old age security fund taxes	302	349	383	371	490	609	624
7	Employer and employee contributions to social insurance and government pension funds	324	357	384	391	413	474	507
8	Interest receipts of social insurance and government pension funds	69	77	86	101	107	108	109
9	Prairie Farm Assistance Act levy	5	7	6	6	7	6	7
10	Excess of corporation tax accruals over collections	163	40	-213	- 25	129	-100	31
11	Other adjustments	93	37	10	39	73	86	71
12	Total revenue as per National Accounts	4,937	5,578	5,588	5,334	6,044	6,416	6,664
Expenditure								
13	Total budgetary expenditure as per Public Accounts, for fiscal years ended March 31, 1955 to 1961 ¹	4,275	4,433	4,849	5,087	5,364	5,703	5,958
14	Adjustment of budgetary expenditure from fiscal to a calendar year basis	102	248	189	106	391	211	332
15	Non-relevant budgetary items omitted	-115	-135	-258	-228	-263	- 76	- 59
16	Budgetary revenue items offset against expenditure per contra	- 74	- 64	- 68	- 84	-107	- 94	-101
17	Budgetary expenditure items offset against revenue per contra	-160	-141	-155	-189	-225	-232	-265
18	Transfers to extra-budgetary funds	- 33	- 45	- 38	- 43	- 58	- 68	- 65
Extra-budgetary expenditures—pension and social insurance funds:								
19	Old age security payments	363	376	433	555	571	587	603
20	Unemployment insurance benefits	229	210	305	492	406	482	494
21	Pensions to government employees	38	42	46	50	56	62	68
22	Prairie Farm Assistance Act payments	33	5	2	21	21	25	35
23	Transfers to various Crown agencies and funds	- 98	- 82	-171	-150	-181	-222	-226
24	Expenditures by various Crown agencies and funds	137	128	139	344	273	231	205
25	Amortization of special contributions to government pension funds	25	25	35	39	37	37	31
26	Other adjustments	39	34	31	91	73	21	100
27	Total expenditure as per National Accounts	4,761	5,034	5,339	6,091	6,358	6,667	7,110
Surplus or deficit								
28	Budgetary surplus or deficit as per Public Accounts ¹ (line 1 minus line 13) ..	-152	- 33	258	- 38	-609	-413	-340
29	Difference of total adjustments to revenue and expenditure items above	328	577	- 9	-719	295	162	-106
30	Surplus or deficit as per National Accounts (line 12 minus line 27)	176	544	249	-757	-314	-251	-446

¹ Public Accounts of the Government of Canada.

TABLE 54. Business Gross Fixed Capital Formation, 1955-61
Reconciliation Statement

Line No.		1955	1956	1957	1958	1959	1960	1961
millions of dollars								
1	Total private and public investment in Canada ¹	6,244	8,034	8,717	8,364	8,417	8,262	8,109
2	Deduct: New residential construction by governments ^{2,3}	- 19	- 21	- 21	- 19	- 18	- 13	- 9
3	New non-residential construction by governments ³	-924	-1,137	-1,251	-1,237	-1,368	-1,420	-1,460
4	New machinery and equipment outlays by governments ³	- 91	- 102	- 110	- 133	- 137	- 137	- 147
5	Business gross fixed capital formation	5,210	6,774	7,335	6,975	6,894	6,692	6,493

¹ As presented in the publication *Private and Public Investment in Canada, 1946-1957* and *Private and Public Investment, Outlook, 1960, 1961, and 1962*.

² Excluding residential construction under Veterans' Land Act, construction of veterans' rental housing by Central Mortgage and Housing Corporation and joint federal-provincial housing (Section 36, National Housing Act), which are included in line 5.

³ Included in "government fixed capital formation", line 4, Table 2.

TABLE 55. Exports and Imports of Goods and Services, 1955-61¹
Reconciliation Statement

Line No.		1955	1956	1957	1958	1959	1960	1961
millions of dollars								
Exports of goods and services:								
1	Merchandise exports	4,332	4,837	4,894	4,887	5,150	5,400	5,896
2	Gold production available for export	155	150	147	160	148	162	158
3	Interest and dividends received from non-residents	160	142	154	168	182	178	196
4	Other receipts from services rendered to non-residents	1,425	1,492	1,427	1,364	1,375	1,427	1,466
5	Sub-total: "Current receipts" as per <i>Canadian Balance of International Payments</i>	6,072	6,621	6,622	6,579	6,855	7,167	7,716
6	Adjustments - Mutual aid to NATO countries	-222	-157	-107	-142	- 63	- 43	- 35
7	Inheritances and immigrants' funds	- 86	- 99	-124	- 97	-109	-102	-103
8	Total "exports of goods and services" as per National Accounts ²	5,764	6,365	6,391	6,340	6,683	7,022	7,578
Imports of goods and services:								
9	Merchandise imports	4,543	5,565	5,488	5,066	5,572	5,545	5,717
10	Interest and dividends paid to non-residents	483	523	589	612	671	669	771
11	Other payments for services rendered by non-residents	1,744	1,899	2,000	2,032	2,116	2,170	2,217
12	Sub-total: "Current payments" as per <i>Canadian Balance of International Payments</i>	6,770	7,987	8,077	7,710	8,359	8,384	8,705
13	Adjustments - Mutual aid to NATO countries	-222	-157	-107	-142	- 63	- 43	- 35
14	Inheritances and emigrants' funds	-105	-115	-157	-145	-165	-181	-183
15	Total "imports of goods and services" as per National Accounts ²	6,443	7,715	7,813	7,423	8,131	8,160	8,487

¹ Data sources are reports on the *Canadian Balance of International Payments* (Balance of Payments Section, Dominion Bureau of Statistics) and other information received from the Balance of Payments Section. Figures include mutual aid to NATO countries.

² See also Table 2.

TABLE 36. Gross National Expenditure in Constant (1949) Dollars, 1955-1961¹

Line No.		1955	1956	1957	1958	1959	1960	1961
millions of dollars								
1	Personal expenditure on consumer goods and services	14,662	15,603	16,083	16,585	17,331	17,797	18,318
2	Government expenditure on goods and services	3,563	3,794	3,833	4,093	4,134	4,190	4,426
3	<i>Current expenditure</i>	2,767	2,869	2,867	3,044	3,030	3,040	3,203
4	<i>Gross fixed capital formation</i>	796	925	968	1,056	1,111	1,159	1,233
5	<i>Adjusting entry</i>	—	—	2	7	7	9	10
6	Business gross fixed capital formation	3,962	4,891	5,115	4,761	4,575	4,345	4,178
7	<i>New residential construction</i>	1,040	1,110	998	1,219	1,157	937	941
8	<i>New non-residential construction</i>	1,365	1,816	2,112	1,884	1,683	1,637	1,675
9	<i>New machinery and equipment</i>	1,557	1,965	1,995	1,650	1,735	1,770	1,555
10	<i>Adjusting entry</i>	—	—	10	8	—	1	7
11	Change in inventories	419	955	210	— 286	295	303	— 238
12	<i>Non-farm business inventories</i>	134	648	246	— 158	325	214	169
13	<i>Farm inventories and grain in commercial channels</i>	285	307	— 89	— 141	— 95	81	— 564
14	<i>Adjusting entry</i>	—	—	53	13	65	8	157
15	Exports of goods and services	4,969	5,340	5,389	5,368	5,574	5,803	6,191
16	Deduct: Imports of goods and services	-5,742	-6,662	-6,571	-6,150	-6,776	-6,711	-6,784
17	Residual error of estimate	87	— 110	— 22	— 74	32	— 25	44
18	Adjusting entry	—	—	80	100	— 8	— 85	— 38
19	Gross National Expenditure in constant (1949) dollars	21,920	23,811	24,117	24,397	25,157	25,617	26,097
20	Index, line 19, 1949 = 100	134.1	145.7	147.6	149.3	153.9	156.8	159.7

¹ The price indexes from 1957 to 1961, shown in Table 6, were converted to a 1949 base using 1956 as the year of overlap between old and new series. They were then divided into the current dollar figures of Table 2, to give the constant (1949) dollar series shown above. This procedure was followed in the case of Gross National Expenditure, line 19, as well as the major components. It may be noted that this procedure yields year-to-year movements in the constant dollar series which are identical with those shown in Table 5. However, a small residual difference, produced by the change in the major group weighting pattern, is entered to make the components add up to the Gross National Expenditure in constant (1949) dollars as determined in this way.

TABLE 37. Implicit Price Indexes — Gross National Expenditure, 1955-1961¹
(1949 = 100.0)

Line No.		1955	1956	1957	1958	1959	1960	1961
1	Personal expenditure on consumer goods and services	118.6	120.7	124.8	128.1	129.8	131.3	132.4
2	Government expenditure on goods and services	134.5	142.0	149.3	151.0	156.0	159.5	162.3
3	<i>Current expenditure</i>	135.8	143.8	151.4	157.4	162.6	168.2	173.8
4	<i>Gross fixed capital formation</i>	129.9	136.2	142.8	131.5	137.1	135.5	131.1
5	Business gross fixed capital formation	131.5	138.5	143.4	146.5	150.7	154.0	155.4
6	<i>New residential construction</i>	132.5	137.5	141.2	144.6	149.9	154.0	154.9
7	<i>New non-residential construction</i>	135.4	142.6	146.9	149.2	153.8	157.4	158.0
8	<i>New machinery and equipment</i>	127.4	135.3	141.5	145.5	148.2	151.0	153.6
9	Exports of goods and services	116.0	119.2	118.6	118.1	119.9	121.0	122.4
10	Imports of goods and services	112.2	115.8	118.9	120.7	120.0	121.6	125.1
11	Residual error of estimate	124.7	129.1	133.1	135.6	139.1	140.9	141.9
12	Gross National Expenditure at market prices	123.8	128.5	132.3	134.8	138.3	140.3	141.2

¹ These implicit indexes are currently weighted price indexes. They reflect not only pure price changes, but also changing expenditure patterns within and between major groups. The implicit price index for Gross National Expenditure is derived by dividing the total of current dollars by the total of constant dollars.

TABLE 58. Personal Expenditure on Consumer Goods and Services in Constant (1949) Dollars, 1955 - 61¹

Line No.		1955	1956	1957	1958	1959	1960	1961
millions of dollars								
1	Food	3,785	4,023	4,178	4,272	4,485	4,658	4,702
2	Tobacco and alcoholic beverages	1,109	1,198	1,265	1,319	1,373	1,393	1,422
3	Clothing and personal furnishings	1,744	1,855	1,901	1,948	2,016	2,077	2,096
4	Shelter	1,645	1,710	1,824	1,928	2,059	2,135	2,208
5	Household operation ^{2,3}	1,966	2,169	2,208	2,274	2,394	2,420	2,510
6	Transportation	1,817	1,928	1,927	2,029	2,151	2,202	2,252
7	Personal and medical care and death expenses....	883	968	1,001	1,079	1,149	1,216	1,292
8	Miscellaneous	1,713	1,752	1,762	1,713	1,668	1,650	1,762
9	Adjusting entry	—	—	17	23	36	46	74
10	Grand totals	14,662	15,603	16,083	16,585	17,331	17,797	18,318
11	Durable goods	2,066	2,209	2,121	2,151	2,262	2,254	2,335
12	Non-durable goods ^{2,3}	8,187	8,705	9,059	9,268	9,604	9,878	10,162
13	Services ^{2,3,4}	4,409	4,689	4,884	5,127	5,403	5,590	5,744
14	Adjusting entry	—	—	19	39	62	75	77

¹ See footnote 1, Table 56.

² Personal expenditure on electricity and gas in constant (1949) dollars were as follows:

	1955	1956	1957	1958	1959	1960	1961
millions of dollars							
	224	251	278	306	347	377	389

³ See footnote 5, Table 47.

⁴ Includes net expenditure abroad.

APPENDIX

TABLE I. Population of Canada, by Provinces, 1955 - 61
Estimated as of June 1

Line No.		1955	1956	1957	1958	1959	1960	1961
		thousands						
1	Newfoundland	406	415	424	432	441	448	458
2	Prince Edward Island	100	99	99	100	101	103	105
3	Nova Scotia	683	695	701	709	719	727	737
4	New Brunswick	547	555	562	571	582	589	598
5	Quebec	4,517	4,628	4,769	4,904	5,024	5,142	5,259
6	Ontario	5,266	5,405	5,636	5,821	5,969	6,111	6,236
7	Manitoba	839	850	862	875	891	906	922
8	Saskatchewan	878	881	880	891	907	915	925
9	Alberta	1,091	1,123	1,164	1,206	1,248	1,291	1,332
10	British Columbia	1,342	1,399	1,482	1,538	1,567	1,602	1,629
11	Yukon	11	12	12	13	13	14	14
12	Northwest Territories	18	19	19	20	21	22	23
13	Canada	15,698	16,081	16,610	17,080	17,483	17,870	18,238

TABLE II. The Civilian Labour Force, 1955 - 61¹

Line No.		1955	1956	1957	1958	1959	1960	1961
		thousands						
1	Civilian non-institutional population, 14 years of age and over	10,597	10,805	11,108	11,357	11,562	11,789	12,010
	Civilian labour force:							
	Employed:							
2	Non-agricultural	4,546	4,809	4,981	4,983	5,163	5,280	5,375
3	Agricultural	819	776	744	712	692	675	675
4	Total employed	5,364	5,585	5,725	5,695	5,855	5,955	6,050
5	Unemployed	245	197	278	432	373	448	469
6	Total civilian labour force²	5,610	5,782	6,003	6,127	6,228	6,403	6,519

¹ Incorporates new definitions of "Employed" and "Unemployed". For earlier years see *The Labour Force*, Catalogue No. 71-001, (Special Surveys Division, Dominion Bureau of Statistics).

² The number of persons in the regular Armed Forces not included in these totals is as follows: 1955 - 117,000 persons; 1956 - 117,000 persons; 1957 - 118,000 persons; 1958 - 120,000 persons; 1959 - 120,000 persons; 1960 - 119,000 persons; 1961 - 121,000. The figures are monthly averages.

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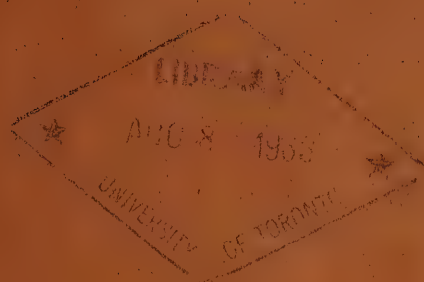
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ANNUAL



NATIONAL ACCOUNTS
INCOME AND EXPENDITURE

1962



DOMINION BUREAU OF STATISTICS

National Accounts and Balance of
Payments Division

DOMINION BUREAU OF STATISTICS

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NATIONAL ACCOUNTS
INCOME AND EXPENDITURE
1962

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July, 1963.

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INTRODUCTORY REVIEW

The Year 1962—Annual Review

Gross National Product rose to \$40,401 million in 1962, an 8 per cent advance over the previous year. This expansion represented the largest year-to-year gain since 1956 when the economy was stimulated by an exceptionally high level of capital expenditure. Price increases were moderate in 1962, accounting for less than 2 per cent of the increase in Gross National Product, leaving a gain in volume of a little more than 6 per cent.

All the main components of Gross National Expenditure contributed to the increase in the aggregate. Consumer spending, which rose more than 5 per cent, was a major expansionary influence. The strength in the consumer sector was particularly evident in the first and last quarters of the year; purchases of durables, notably passenger cars, were especially heavy in the fourth quarter. The increase in consumer spending was accompanied by a large rise in personal income and personal saving. Investment in fixed capital resumed its upward

course, the bulk of the increased outlays being for machinery and equipment. Except in the third quarter, the accumulation of business inventories made only a modest contribution to the expansion of economic activity. With a near record crop in 1962 in contrast to a poor crop in 1961, there was a considerable accumulation of farm inventories in place of the liquidation of a year earlier. Largely in response to a higher level of demand in the United States, exports of goods and services were up nearly 8 per cent while imports also rose but not to the same extent; these increases reflect, in part, the lower exchange value of the Canadian dollar. Government expenditure was up substantially, mainly reflecting larger outlays at the provincial-municipal level.

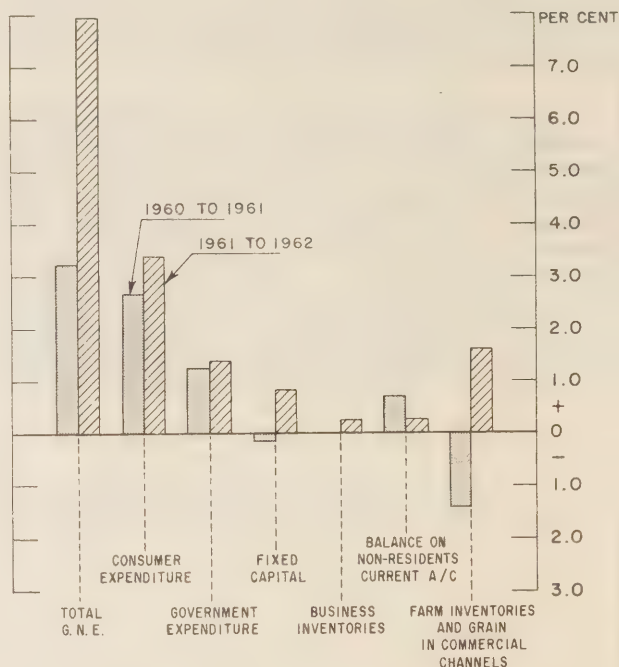
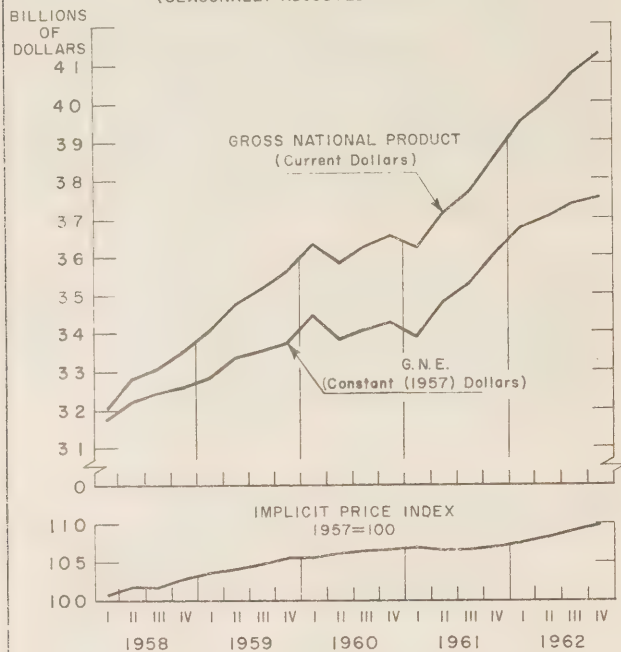
The salient developments on the income side were a 7 per cent rise in labour income, an 11 per cent increase in corporate profits, and a sharp expansion in accrued farm income, largely a reflection of a near record crop. Personal income rose at about the same rate as national income.

Changes in Components of Gross National Expenditure and Other Data

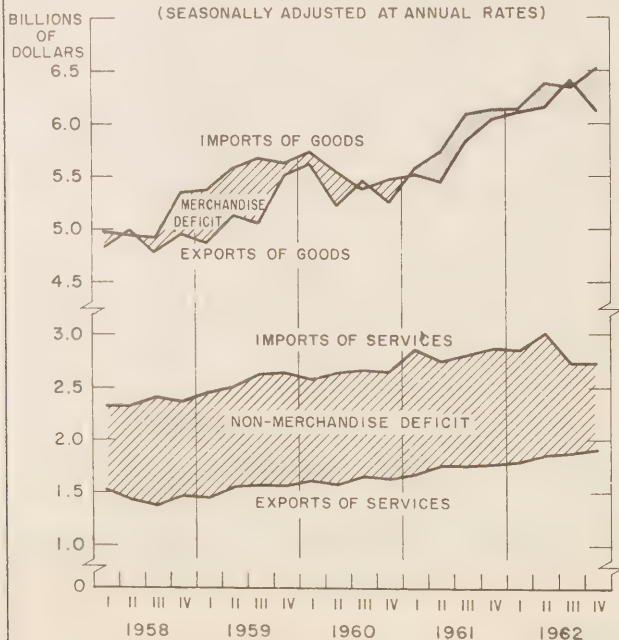
	Per cent changes in year-to-year		Per cent changes over the year (based on seasonally adjusted data)	
	1960-61	1961-62	IV Q. '60 to IV Q. '61	IV Q. '61 to IV Q. '62
Gross National Expenditure	3.2	8.0	5.7	6.9
Personal expenditure	4.1	5.2	4.1	5.0
Government expenditure	6.7	7.2	7.9	5.3
Business gross fixed capital	-0.9	4.8	2.5	4.0
Business inventories	(\$1 m.)	(\$99 m.)	(\$600 m.)	(-\$604 m.)
Farm inventories	(-\$506 m.)	(\$610 m.)	(-\$680 m.)	(\$872 m.)
Exports of goods and services	8.9	7.8	14.9	6.6
Imports of goods and services	4.5	5.7	9.9	-1.0
Net National Income	3.2	8.1	5.7	6.8
Wages and salaries	4.5	6.8	6.0	6.1
Corporation profits before taxes ¹	3.0	10.5	22.0	3.5
Rent, interest, etc.	7.6	5.3	8.1	8.0
Farm income—Accrued	-17.7	42.7	-27.1	39.3
Unincorporated business income—Non-farm	3.4	4.0	6.1	1.5
Personal disposable income	3.8	8.0	4.5	6.6
Net personal saving	(-\$30 m.)	(\$822 m.)	(\$152 m.)	(\$500 m.)

¹ Before deducting dividends paid to non-residents.

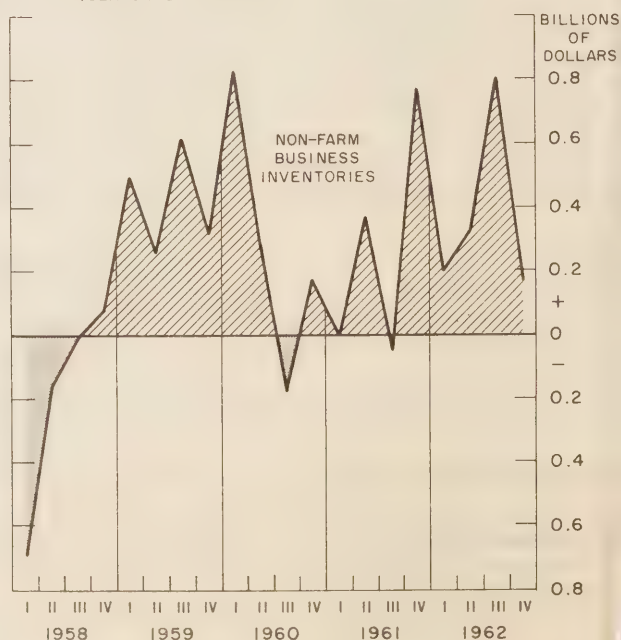
THE ADVANCE IN G.N.P. CONTINUED UNINTERRUPTED CONTRIBUTION TO THE PERCENTAGE CHANGE
THROUGH THE YEAR. THE YEAR 1962 WAS
8 PER CENT HIGHER THAN THE PREVIOUS YEAR
(SEASONALLY ADJUSTED AT ANNUAL RATES)



THE TOTAL DEFICIT ON CURRENT ACCOUNT FELL
FROM \$0.9 BILLION IN 1961 TO \$0.8 BILLION IN
1962, LARGELY DUE TO A REDUCTION IN THE
DEFICIT ON TRAVEL ACCOUNT. IN THE FOURTH
QUARTER A SHARP IMPROVEMENT WAS RECORDED
IN THE EXPORT BALANCE ON MERCHANDISE TRADE
(SEASONALLY ADJUSTED AT ANNUAL RATES)



A BUILD-UP OF STOCKS CONTINUED
THROUGHOUT THE YEAR BEING
PARTICULARLY PRONOUNCED
IN THE THIRD QUARTER
(SEASONALLY ADJUSTED AT ANNUAL RATES)



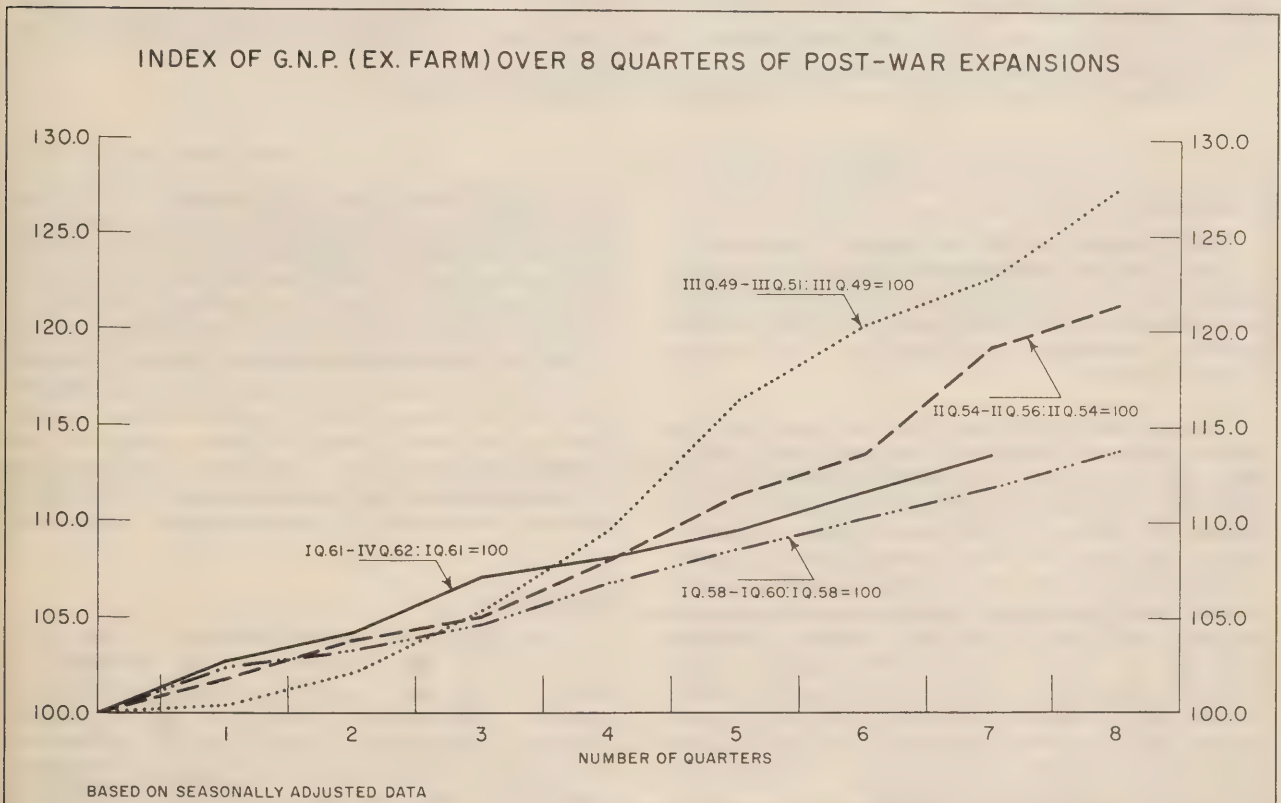
A brief review of the developments, in current dollars, over the entire period since the trough in economic activity in the first quarter of 1961, cast in terms of major demand components of Gross National Expenditure and compared with the recoveries of 1954-56 and 1958-59, reveals some interesting changes in patterns.

The relative overall strength of the present recovery rests mid-way between the exceptionally sharp rise in production in the 1954-56 period and the moderately paced increase in 1958-59. The underlying strength of the 1954-56 expansion in domestic demand was not fully reflected in Canadian production because of the high proportion which was met by imports of goods and services. In that respect, the present recovery differs from both the two previous expansions.

Exports of Canadian goods and services have been strong in 1961-62, and the rise of 16 per cent has out-paced that of the 1958-59 period. However, probably one of the most important developments in the expansion has been the apparent emergence of a slow-down in the rate of increase of imports. This has occurred over a period of considerable price rises reflecting exchange depreciation and in the latter half of 1962, temporary import surcharges. A larger proportion of demand is currently being met from Canadian production; the rise in imports was 6 per cent compared with 13 per cent in 1958-59 and 33 per cent in 1954-56.

Capital spending on housing and business plant and equipment has shown considerably more strength than in 1958-59, particularly non-residential construction. However, the demand for fixed capital is not exerting the same degree of ex-

INDEX OF G.N.P. (EX. FARM) OVER 8 QUARTERS OF POST-WAR EXPANSIONS



pansionary pressure as in 1954-56. Demands on production for purposes of inventory accumulation were small in the current period compared with the two earlier periods, partly because of ample supplies, relative price stability and the fact that no major reduction in stocks took place during the prior business slow-down.

Over the seven quarters since the beginning of 1961 to the end of 1962 consumer and government spending on goods and services both moved ahead by about 10 per cent, although increased spending by consumers accounts for a much lower proportion of the increase in Gross National Expenditure in the current period than in the 1958-59 expansion.

Changes in Demand (Current Dollars) Over Three Post-War Expansions¹
(Based on seasonally adjusted data)

	Per cent changes			Per cent contribution to GNE changes ²		
	2 Q. '54 to 1 Q. '56	1 Q. '58 to 4 Q. '59	1 Q. '61 to 4 Q. '62	2 Q. '54 to 1 Q. '56	1 Q. '58 to 4 Q. '59	1 Q. '61 to 4 Q. '62
Gross National Expenditure	20.0	11.0	13.8	100.0	100.0	100.0
Personal expenditure	13.7	10.5	9.4	44.6	61.9	44.8
Non-durable goods	(10.7)	(7.8)	(8.7)	(18.6)	(23.7)	(20.9)
Durable goods	(19.7)	(7.9)	(18.5)	(7.7)	(5.4)	(9.4)
Services	(16.1)	(15.3)	(7.8)	(18.2)	(32.7)	(14.5)
Government expenditure	14.6	10.3	9.7	13.3	17.2	13.7
New residential construction	36.0	5.9	12.7	8.5	2.7	3.6
New non-residential construction	35.4	-8.5	1.8	11.9	-6.9	1.0
New machinery and equipment	19.4	5.2	10.2	7.9	3.6	5.2
Non-farm business inventories	(\$1,308 m.)	(\$1,008 m.)	(\$172 m.)	26.6	28.4	3.4
Farm inventories and GICC	(\$372 m.)	(\$84 m.)	(\$596 m.)	7.6	2.4	11.9
Exports of goods and services	20.7	11.7	16.1	21.6	20.9	23.4
Imports of goods and services	33.5	13.2	5.5	- 38.2	- 27.2	- 9.2

¹ Troughs in general business activity 2 Q. '54, 1 Q. '58, and 1 Q. '61.

² Columns will not add to 100.0 exactly as residual error of estimate is omitted.

Production

Real output for 1962 was higher by just over 6 per cent than the corresponding figure for 1961. If agriculture is excluded, this increase amounted to about 5 per cent. The 8 per cent gain in the goods-producing industries is reduced to 7 per cent in the same manner.

Manufacturing, with an 8 per cent gain was the largest single contributor to the expansion during 1962, accounting for approximately one-third of the total increase. The considerable advance (11 per cent) in the cyclically volatile durables component formed the basis for this growth, with particular strength occurring in the transportation equipment and the electrical apparatus and supplies groups. Iron and steel and non-metallic mineral products increased by 9 per cent each. Non-durable manufacturing during 1962 continued to expand, showing a 5 per cent increase over 1961, with the largest gain of any major industry group in textile products (8 per cent), and the smallest (2 per cent) in the leather and clothing product groups.

Considerable gains were also made in mining and forestry, which increased by about 7 per cent each, while construction expanded by 2 per cent.

The service-producing industries showed a 4 per cent gain, about two-fifths of which was accounted for by a considerable increase in wholesale trade (8 per cent), and retail trade (4 per cent), which paralleled the rapid expansion in manufacturing output. The most significant development within retail trade was an 11 per cent increase in

the motor vehicle dealer component. Oil and gas pipeline transport accounted for about half of the 4 per cent increase in transportation, as the growth in output of this industry was well above average. The only major decline (12 per cent) occurred in storage, largely as a result of declines in the volume of receipts and shipments at grain elevators during the first part of the year. Public administration and defence showed a smaller than average gain (2 per cent), while electric power and gas utilities increased by 6 per cent. The remaining service-producing industries continued their steady advance, increasing by approximately 4 per cent.

Employment

The market for labour improved in 1962. The total number of employed persons increased by nearly 3 per cent, and the non-agricultural component of this number increased by 3½ per cent. In contrast to the previous year, when the rate of rise in the employment of women substantially exceeded that of men, both men and women shared equally in the increase in 1962. Gains in employment occurred in all industries except agriculture and other primary industries, the largest increase being in construction and non-government service (community, business, personal, and recreational service). The average rate of unemployment in 1962 was 5.9 per cent of the labour force, compared to the rate of 7.2 per cent in 1961.

The changes in male, female and total employment by broad industry groups are shown in the following table.

Employment by Industry¹

	Average year 1961	Average year 1962	Per cent change men	Per cent change women	Per cent change total
1000's of persons					
Agriculture	674	653	-4.1	8.8	-3.1
Other primary industries ²	183	177	-2.8	3	-3.3
Manufacturing	1,515	1,567	3.7	2.9	3.4
Construction	406	429	5.6	—	5.7
Transportation and other utilities	509	527	3.9	1.4	3.5
Trade	983	1,002	1.5	3.2	1.9
Finance, insurance, and real estate	239	248	3.1	4.6	3.8
Government service	382	390	2.1	3.3	2.1
Non-government service ⁴	1,160	1,225	7.8	4.0	5.6
Total employed	6,049	6,217	2.5	3.5	2.8
Total employed ex. agriculture	5,375	5,564	3.6	3.5	3.5

¹ Includes self-employed persons and unpaid family workers.

² Includes forestry, fishing and trapping, and mining, quarrying and oil wells.

³ Estimates less than 10,000.

⁴ Includes business, personal, community and public, and recreational services.

Value, Volume and Price

Prices rose appreciably more in 1962 than in the previous year. All the major components of demand showed price increases, ranging from 1.5 per cent in consumer expenditure to 3.7 per cent in government expenditure. Prices of imports rose 4.4 per cent, largely as a result of the depreciation of the Canadian dollar. This increase is not reflected

in the overall implicit price index of Gross National Expenditure since imports are excluded by definition from Canada's Gross National Product.

In volume terms, all components with the exception of non-residential construction advanced from 1961 to 1962. Year-to-year changes in value, volume, and price are given in the accompanying table.

Percent Changes — Value, Volume, and Price

	Year 1960 — Year 1959			Year 1961 — Year 1960			Year 1962 — Year 1961		
	Value	Volume	Price ¹	Value	Volume	Price ¹	Value	Volume	Price ¹
Personal expenditure	4.1	3.0	1.1	4.1	3.2	0.9	5.2	3.7	1.5
Goods	2.9	2.5	0.4	3.5	3.2	0.2	5.6	4.6	1.0
Services	6.1	3.8	2.2	5.2	3.2	1.9	4.5	2.1	2.3
Government expenditure	4.1	0.8	3.3	6.7	4.6	1.9	7.2	3.3	3.7
Business gross fixed capital	-2.9	-5.0	2.2	-0.9	-1.8	0.9	4.8	2.2	2.5
New residential construction	-16.8	-19.0	2.7	1.0	0.4	0.6	8.2	5.2	2.8
New non-residential construction	-0.5	-2.8	2.4	4.1	3.7	0.4	-0.6	-2.5	2.0
New machinery and equipment	3.9	2.0	1.9	-6.7	-8.1	1.6	8.6	5.6	2.9
Exports of goods and services	4.9	4.1	0.7	8.9	7.5	1.3	7.8	4.4	3.2
Total final demand	3.1	1.6	1.5	4.5	3.4	1.0	5.9	3.5	2.3
Imports of goods and services	0.5	-0.5	1.0	4.5	1.1	3.3	5.7	1.3	4.4
Gross National Expenditure	3.8	2.2	1.6	3.2	2.6	0.6	8.0	6.2	1.7

¹ Implicit Price Indexes.

COMPONENTS OF GROSS NATIONAL EXPENDITURE

Personal Expenditure on Consumer Goods and Services

A strong upward movement from the fourth quarter of 1961 in a number of income components raised the level of personal disposable income 6½ per cent by the final quarter of 1962. This increase allowed a strong expansion in consumer spending and also a higher level of personal net saving.

The expansion of 5 per cent in personal expenditure, which took place mainly in the first and final quarters of the year, was the strongest since the expansion in 1959 and was largely attributable to a particularly sharp increase in net purchases of new and used automobiles—motor vehicle dealers' sales rose by 11 per cent. Purchasing of durable goods in total was higher by 8 per cent in 1962 in contrast to the lack of any strong movement in either of the years 1960 and 1961; prices were unchanged, indicating an equivalent rise in volume. Consumer spending on non-durable goods also rose but more in line with the annual increases which have been experienced in recent years. An increase of 5 per cent from 1961 to 1962 compares with 4

per cent in the two previous years. A part of this slightly larger increase reflects the first full-year's impact of the Ontario Sales Tax which was introduced in September 1961. Spending on food, tobacco and alcohol all contributed to the overall picture of strength as their rate of increase was significantly higher than between 1960 and 1961. Price increases of about 1 per cent associated with consumer goods in total were mainly a reflection of non-durable goods price increases.

There was a continuation of the slackening rate of increase in personal expenditure on services which has been apparent in recent years—expenditures rose by 4½ per cent. In part, this reflected significant movements in personal spending of non-residents in Canada and of Canadians travelling abroad. Abstracting this influence, outlays for services increased by 6 per cent. The increases were general, although a diminished rate of growth in spending on shelter was noticeable as increases in rental rates became less pronounced, a tendency which has become apparent since 1960.

Personal Expenditure

	Per cent change	
	Year 1960 to year 1961	Year 1961 to year 1962
Total non-durables	4.0	5.1
Food	1.7	3.3
Clothing	1.6	3.7
Other	8.2	7.8
Total durables	1.1	8.0
New and used automobiles	0.5	14.0
Other	1.6	2.8
Total goods	3.5	5.6
Total services	5.2	4.5
Total Personal Expenditure (goods and services)	4.1	5.2

Business Gross Fixed Capital Formation

Capital expenditure in 1962 amounted to \$7.0 billion, nearly 5 per cent higher than in the previous year. Roughly similar rates of increase, over 8 per cent, occurred in outlays for housing and for machinery and equipment; expenditure on non-residential construction showed little change.

The rise in fixed capital formation in 1962, mainly a result of the strength in demand for producers' durable equipment, occurred in the first three quarters of the year. This strength was centred in the primary metal manufacturing industries, mining and agricultural sectors of the economy, the

latter probably reflecting to some extent spending from the higher farm incomes received during the year. Although there was little change from 1961 to 1962 in the value of construction of non-residential buildings and works, there were offsetting movements within the year. Expansion took place in spending for plant and equipment by manufacturers; the utilities spending programme appeared on balance slightly lower, with increased spending by electric power and telephone utilities more than offset by completion of a large-scale pipeline construction programme. Offsets also occurred between higher outlays by the agricultural and fishing industries and lower mining construction spending.

The rise in housing expenditure in 1962 reflects the increase not only of a higher number of housing starts, but a larger carry-over of houses under construction at the beginning of 1962 than in the previous year. Starts rose from 125,577 in 1961 to 130,095 in 1962, approximately 4 per cent, while completions were higher by 9½ per cent, increasing from 115,608 in 1961 to 126,682 in 1962. The increase in starts of rental dwellings more than offset a decline in starts of dwellings for home-ownership, and partly associated with this trend was an increase in conventional mortgage lending and a shift away from financing under the National Housing Act.

Investment in Non-farm Business Inventories

Investment in business inventories played only a small part in the expansion of Gross National Product in 1962. For the year as a whole the addi-

tion to stocks amounted to \$375 million, although in the third quarter of the year stock-building at an annual rate of \$800 million was very important.

The largest build-up of stocks occurred in manufacturing industries, with widespread accumulation in both durable and non-durable lines. The ratio of stocks to shipments throughout the year remained below the average of the previous year.

The accumulation of stocks in wholesale trade was virtually negligible, the liquidation in the first half of the year being largely offset by accumulation in the second.

There was a considerable accumulation of stocks in the hands of retail dealers. Most of this accumulation was in the hands of automotive dealers, where sales were sharply higher and stocks had been drawn down slightly in the previous year.

Non-Farm Business Inventories

Industry	1958	1959	1960	1961	Quarters 1962 (Seasonally adjusted and at annual rates)				1962
					(1)	(2)	(3)	(4)	
					millions of dollars				
Manufacturing	-149	151	104	81	128	-12	396	156	167
Wholesale	- 44	123	18	87	-48	-96	72	132	15
Retail	10	123	192	111	-40	232	388	- 16	141
Other	- 14	24	-39	-3	160	204	-56	-100	52
Totals	-197	421	275	276	200	328	800	172	375

Exports and Imports of Goods and Services

Some of the most notable developments of the year occurred in the field of foreign trade where both exports and imports of goods and services rose to record levels. Exports amounted to \$8.2 billion, close to 8 per cent higher than in 1961, the rate of increase for goods being somewhat higher than for services. At the same time, imports of goods and services reached a value of \$9.0 billion, nearly 6 per cent above the level of 1961; all the increase was in the merchandise part of the account. The result was that the deficit on international current account fell from about \$0.9 billion to about \$0.8 billion, all of the improvement occurring in the non-merchandise items.

The pattern of trade in 1962 was affected, among other things, by the stabilization of the Canadian dollar in May at 92½ cents in terms of United States currency. Furthermore, the foreign exchange crisis in June 1962 culminated in government action to relieve pressure on the Canadian dollar, to bring about a greater stabilization in Canada's international transactions, and to

strengthen the exchange reserves. The net effect of these factors in terms of Canadian production was to contribute to an increase in exports of Canadian goods and services and to lower the portion of domestic demand being met from foreign sources. The deficit with non-residents on current account, on a year-to-year basis, showed a fairly small change but within the year it declined progressively from just over \$1.0 billion in the first quarter to less than half that in the final quarter, although some of this improvement may have been due to a decline in imports from an irregularly high third quarter level.

The rise in exports of goods occurred mainly in the second quarter of the year, but the high level was sustained throughout the remainder of the year. It is attributable in part to the economic expansion in the United States (the increase in exports to the United States on a year-to-year basis was greater than the total increase in exports), in part to the effect of changes in the exchange rate, and in part to aggressive export sales promotion by both business and government. Although newsprint and wheat remained the two principal commodity exports, the

level of exports for both of these was lower than in 1961. The major gains were in sales abroad of iron ore crude petroleum and natural gas. Of less importance in dollar terms, but items in which very substantial advances were recorded, were non-farm machinery, aircraft and parts, aluminum and lumber and products. Almost three-quarters of the increase in exports was attributable to the six commodity groups noted above.

Receipts for services also rose sharply between the first and second quarter and then remained at the new high level. This increase was primarily due to the increased travel expenditures of foreigners, encouraged in part by the more favourable rate of exchange, and to an increase in receipts of interest, and freight and shipping services resulting from the increased volume of merchandise exports, such as iron ore, petroleum and natural gas.

Exports and Imports of Merchandise and Services

	Year 1961	Quarters 1962 (Seasonally adjusted and at annual rates)				Year 1962	Percent change Year '62 Year '61
		1Q	2Q	3Q	4Q		
millions of dollars							
Exports:							
Merchandise	5,889	6,152	6,404	6,376	6,524	6,364	8.1
Services (including interest and dividend re- ceipts)	1,742	1,788	1,868	1,872	1,912	1,860	6.8
Interest and dividend receipts	(209)	(192)	(212)	(220)	(220)	(211)	1.0
Totals	7,631	7,940	8,272	8,248	8,436	8,224	7.8
Imports:							
Merchandise	5,716	6,120	6,172	6,424	6,120	6,209	8.6
Services (including interest and dividend pay- ments)	2,826	2,852	3,004	2,720	2,720	2,824	- 0.1
Interest and dividend payments	(770)	(760)	(848)	(728)	(788)	(781)	1.4
Totals	8,542	8,972	9,176	9,144	8,840	9,033	5.7

Imports of goods rose through the first three quarters of the year, in spite of an unfavourable exchange rate, which raised the price of imports to Canadians, and in spite of the imposition of an import surcharge on certain classes of goods at mid-year, which had the same effect. However, in the final quarter of the year imports fell off sharply, reflecting in part the earlier changes, including the unusually high level of the previous quarter. Even with this decline at the year-end, imports of goods for the year were the highest on record, although some of the increase was, as in exports, due to the change in the exchange rate. The figures for the year indicate a particularly sharp pick-up in non-farm machinery, electrical apparatus, and automobile parts, all of which are consistent with the strong demand, noted earlier, for producers' durables and automobiles. However, increases in the

level of imports seem general and occur in almost all classes of goods on a year-to-year basis. About 80 per cent of the annual increase in merchandise imports arose from increased purchases from the United States.

Payments for services rose to a peak in the second quarter of 1962, reflecting accelerated transfer of interest and dividends on non-resident investment, larger payments for business services and the continued high level of Canadians' travel expenditures abroad; they fell back in the third quarter and remained stable in the latter part of the year. The reductions were largely a result of lower travel expenditures, a reduced rate of payments of dividends, and a decline in miscellaneous expenditures.

Domestic Exports

	Per cent change				
	$\frac{1Q '62}{1Q '61}$	$\frac{2Q '62}{2Q '61}$	$\frac{3Q '62}{3Q '61}$	$\frac{4Q '62}{4Q '61}$	$\frac{12 \text{ Mos. '62}}{12 \text{ Mos. '61}}$
Leading commodities					
Newsprint paper	-2.4	-0.7	-4.9	3.5	-1.1
Wheat	13.9	2.4	-36.2	-5.5	-9.1
Lumber and timber	12.4	13.9	12.6	8.1	11.8
Wood pulp	11.6	7.8	4.4	3.3	6.6
Uranium ore	-6.4	-8.1	-18.6	-20.0	-13.9
Aluminum and products	0.9	25.6	23.8	15.2	16.8
Nickel	6.3	6.2	0.9	-34.2	-7.4
Copper and products	-15.8	20.1	12.0	3.7	4.3
Petroleum, crude	104.7	65.1	29.1	32.6	52.6
Iron ore	80.0	137.5	41.2	37.4	62.3
Total domestic exports	10.1	14.5	1.7	5.7	7.7
Leading countries					
United States	25.6	23.0	11.0	8.1	16.1
United Kingdom	-12.4	13.1	-1.0	1.0	n.c.
European common market countries	-20.0	4.7	-17.5	20.3	-2.3
Japan	5.1	-5.3	-18.8	-6.2	-7.3
Other	1.6	-0.3	-11.1	-1.8	-3.3

The Government Sector

Expenditure on goods and services of all levels of government combined rose by 7 per cent from 1961 to 1962, with divergent movements concealed in the total figures. Purchases by provincial and municipal governments rose by over 11 per cent reflecting the increased building of vocational schools under the federal-provincial cost-sharing plan; this is in contrast to the 1 per cent increase at the federal level, where the 4 per cent expansion of defence outlays was almost offset by the fall in non-defence expenditures. Within 1962, total government purchases rose sharply from the first to the second quarter but declined gradually thereafter, reflecting the contraction in the spending by the federal government.

Total expenditures of federal, provincial, and municipal governments combined, excluding inter-governmental transfers, advanced by over 7 per cent from 1961 to 1962 with all major components of expenditure contributing to the increase.

Transfer payments to persons from all governments advanced by more than 7 per cent. At the federal level, primarily because of the rate increase in monthly payments from \$55 to \$65 in February 1962, the outpayments from the Old Age Security Fund rose by nearly 20 per cent; this was largely offset by a decline of more than 17 per cent in unemployment insurance benefits paid, reflecting the improved employment situation. Provincial transfers to hospitals under the Hospital Insurance and Diagnostic Services Act were higher by almost 10 per cent.

Subsidies paid by the federal government showed an increase of nearly 18 per cent, principally because of the loss incurred by the Agricultural Commodities Stabilization Board.

At the combined level, all revenue components showed increases in 1962 over the previous year, but there were offsetting changes in personal direct taxes at the federal and provincial levels of government because of the introduction of the new federal-provincial tax arrangements. All provinces levied a personal income tax in 1962; formerly the federal government had made payments to most provinces under the federal-provincial tax agreements and these payments were included in federal transfers to provincial governments. Nevertheless, federal transfer payments to provincial-municipal governments rose slightly between the two years, mainly because of considerably higher contributions to provinces under the Hospital Insurance and Diagnostic Services Act, and on behalf of vocational training. The federal transfer payments to the provinces under the former federal-provincial taxation agreements did not lapse until the second quarter of 1962 while the new direct provincial tax began in the first quarter of 1962, resulting in an overlap in the first quarter. As a consequence, federal expenditure and provincial-municipal governments' revenue were irregularly high in that quarter, thus affecting the 1962 annual totals.

Federal indirect tax revenue was up close to 10 per cent, reflecting in part the imposition of the temporary surcharges announced in June, 1962, and the rise in the value of imports between the two years. There was an increase in revenue from in-

direct taxes of more than 13 per cent at the provincial-municipal level, including increases in receipts from provincial sales tax of over 60 per cent (mainly because of the introduction of a sales tax in Ontario in September, 1961), from provincial gasoline taxes of over 7 per cent, and from municipal real property taxes of about 8 per cent.

Although there was a considerable rise in total expenditures of all governments combined, the increase in revenues was even larger with the conse-

quent effect that the deficit on a national accounts basis declined significantly from \$905 million in 1961 to \$770 million in 1962. There was a substantial drop of more than one-third in the deficit at the provincial-municipal level but an increase of almost 5 per cent in the federal deficit. These changes, however, reflect to some extent the effects of the transition from the previous tax-sharing arrangements to the new procedure for apportioning taxes between the federal and provincial governments.

Government Expenditure and Revenue

	1961	1962	Per cent change
	millions of dollars		
Government expenditure:			
Goods and services	7,205	7,721	7.2
Transfer payments to persons	3,408	3,652	7.2
Interest on public debt	1,164	1,274	9.5
Subsidies	254	291	14.6
Totals ¹	12,031	12,938	7.5
Government revenue:			
Direct taxes — persons	2,511	2,714	8.1
Direct taxes — corporations	1,612	1,750	8.6
Withholding taxes	116	125	7.8
Indirect taxes	4,970	5,552	11.7
Investment income	1,130	1,211	7.2
Employer-employee contributions	787	816	3.7
Totals ¹	11,126	12,168	9.4
Deficit	905	770	-14.9

¹ Excludes inter-governmental transfers.

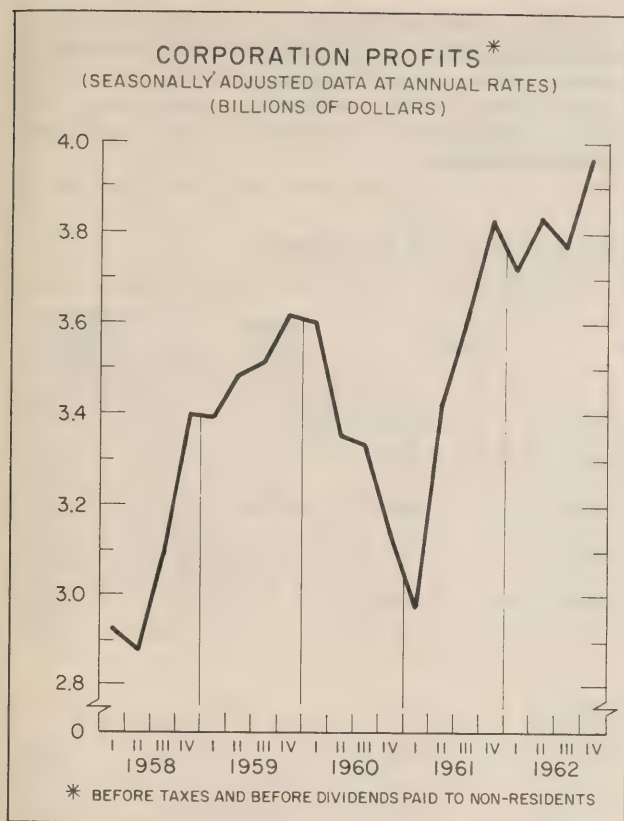
COMPONENTS OF GROSS NATIONAL PRODUCT

Labour Income

In 1962 labour income reached an estimated total of \$20.4 billion, nearly 7 per cent higher than in the previous year. An increase in labour inputs as well as in labour prices contributed to the rise. Labour income rose most rapidly in the early part of the year.

As in the recent past, the largest gains in labour income among the major industries occurred in the non-government service group (close to 11 per cent). The next highest rate of change was in construction (more than 8 per cent).

In 1962 more than 42 per cent of wages and salaries originated in goods-producing industries and the remainder in service-producing industries in comparison with the beginning of the post-war period when the contribution of the two segments to the total was about equal. This changed relationship reflects the tendency in the post-war period for wages and salaries to rise more rapidly in the service-producing than in the goods-producing industries.



Corporate profits

Corporation profits (before taxes and before dividends paid to non-residents) continued to remain at record levels in 1962. During the first three quarters of the year, profits tended to level off at the peak attained in 1961, but showed a gain in the fourth quarter. This pattern of quarter-to-quarter movement differed considerably from that of 1961 when a steady rise from the trough of the first quarter took place. For the year as a whole, however, they increased by 10½ per cent to \$3.8 billion. All industries showed strength except wholesale trade, and finance, insurance, and real estate. Manufacturing, particularly metal industries (including transportation equipment), mines, quarries and oil wells, and retail trade showed notable gains.

Rent, interest, and miscellaneous investment income rose by about 5 per cent in 1962. All components showed gains except net residential non-farm rents (paid and imputed), which were estimated to have fallen as the rate of increase in gross rents slowed down while operating expenses indicated no such change. The trading profits of government business enterprises showed a substantial increase of about 9 per cent in the year.

Interest, dividends, and net rental income of persons was up about 7 per cent, mainly as a result of a rise in bond interest and in dividends received.

Corporation Profits – Selected Industries

	1961 to 1962 per cent change
Mines, quarries and oil wells	13.6
Manufacturing Industries:	17.2
Wood industries	23.2
Paper and allied industries	9.3
Metal industries (including transportation equipment)	32.2
Electrical products industries	58.9
Non-metallic mineral products industries	27.1
Petroleum and coal products industries	3.0
Transportation, storage and communication	6.5
Wholesale trade	-5.2
Retail trade	17.8
Finance, insurance and real estate	-3.6
Total all industries	10.5

Accrued Net Income of Farm Operators From Farm Production

Accrued net income of farm operators reached a level of \$1.4 billion in 1962, over 40 per cent higher than the estimate for 1961, and the highest level attained since the mid-fifties. Although cash receipts from the sale of farm products were at an

all-time high, the largest part of the increase in accrued net income can be attributed to the greatly increased production of grains in Western Canada, resulting in a build-up of inventories on farms. The 1962 estimate of the value of crop production is \$1.2 billion, about \$550 million higher than the 1961 estimate.

Farm cash receipts, the largest component of farm net income, increased over 4 per cent in 1962. Major items contributing to the increase were larger participation payments by the Canadian Wheat Board and higher returns from the sale of wheat, oats, cattle and calves, poultry, and dairy products.

Farm operating expenses showed a further increase in 1962, slightly dampening the increase in gross income. Contributing to the increase were substantially higher outlays for farm rents, live-stock feeds, and the operation of farm machinery, including repairs.

Accrued Net Income of Farm Operators from Farm Production

	1961	1962	Change 1962 1961	Per cent change 1962 1961
millions of dollars				
Farm cash income	2,954	3,081	127	4.3
Income-in-kind	343	340	- 3	-0.9
Farm inventory change	-288	149	437	-
Gross income	3,009	3,570	561	18.6
Deduct:				
Farm operating expenses	1,699	1,803	104	6.1
Depreciation	308	312	4	1.3
Add:				
Adjustment on grain transactions ¹	26	-11	-37	-
Other adjustments	- 53	-53	-	-
Accrued net income of farm operators	975	1,391	416	42.7

¹ This adjustment takes account of the undistributed profits of the Canadian Wheat Board.

Net Income of Non-farm Unincorporated Business

In a comparison with the year 1961, net income of non-farm unincorporated business increased 4 per cent in 1962 to a level of \$2.4 billion. Net

income in most industry groups showed some increase with the greatest increase occurring in the retail trade, construction, community service and fishing industries. Slight declines were registered in the transportation and finance industries.

INDUSTRIAL DISTRIBUTION OF GROSS DOMESTIC PRODUCT AT FACTOR COST, 1955-62

Gross Domestic Product at factor cost rose from \$24,326 million in 1955 to \$35,931 million in 1962, a gain of about 48 per cent. The 7½ per cent gain in 1962 was larger than in any year of the period under review, with the exception of 1956 when Gross Domestic Product rose by nearly 12 per cent under the stimulus of an unusually high level of investment.

The highest rate of increase in the period 1955 to 1962 was in electric power, gas and water utilities, reflecting the expansion of productive capacity in the electric power industry and the new

developments in the production of natural gas. Much larger than average rates of increase also occurred in the service industry and in communication. Public administration and defence and finance, insurance and real estate likewise showed increases that are relatively large. The gains in product in wholesale and retail trade fell just a little below the all industry average. Of the major goods-producing industries, mining, quarrying and oil wells, manufacturing, construction and agriculture showed increases ranging from 45 per cent in mining, quarrying and oil wells down to 12 per cent in agriculture. There was a decline in production in

the forestry industry over the period while production in the transportation industry rose considerably less than the all industry total.

The accompanying table shows the percentage changes by industry between 1955 and 1962 and between 1961 and 1962.

Gross Domestic Product by Industry

Industry	Per cent change	
	1955-62	1961-62
Agriculture	11.8	27.7
Forestry	- 11.0	2.9
Fishing and trapping	36.5	13.7
Mining, quarrying and oil wells	44.7	3.4
Manufacturing	38.2	9.1
Construction	37.6	7.1
Transportation	32.7	5.0
Storage	27.9	- 2.2
Communication	80.8	8.6
Electric power, gas and water utilities	88.1	8.0
Wholesale trade	46.6	3.4
Retail trade	45.2	3.9
Finance, insurance and real estate	60.6	3.2
Public administration and defence	67.6	5.6
Service	85.9	8.9
All industries	47.7	7.5

The pattern of changes in Gross Domestic Product through time reflects among other things the impact of the trade cycle on the cyclically sensitive goods-producing industries. Thus for instance in the boom year 1956 the gains in product in construction and manufacturing were high. In the following years rates of increase fell sharply or declines set in. Product in manufacturing fell in 1958; product in the construction industry fell in 1959 and 1960, in mining, quarrying and oil wells in 1958, in forestry in 1957, 1958 and 1961. In transportation, a goods-handling industry, declines in product occurred in 1958 and again in 1960. All the major service-producing industries showed a consistent rising trend over the period.

As a result of varying rates of growth by industry, the relative contribution of each to Gross

Domestic Product as a whole altered appreciably between 1955 and 1962. The most outstanding change in the increased relative importance of the service industry, which accounted for nearly 14 per cent of the product in 1962 compared with nearly 11 per cent in 1955. Public administration and defence, finance, insurance and real estate and communication also increased in relative importance as did electric power, gas and water utilities. Wholesale and retail trade and mining, quarrying and oil wells were in much the same position in 1962 as in 1955 while manufacturing, construction and transportation declined in relative importance.

The contribution of each industry to Gross Domestic Product at Factor Cost in 1955 and 1962 is shown in the following table.

Industrial Distribution of Gross Domestic Product, 1955 and 1962

Industry	Per cent of total	
	1955	1962
Agriculture	7.3	5.5
Forestry	1.8	1.1
Fishing and trapping .....	.4	.3
Mining, quarrying and oil wells	4.4	4.3
Manufacturing	27.9	26.1
Construction	5.7	5.3
Transportation	7.1	6.3
Storage .....	.3	.2
Communication	1.9	2.4
Electric power, gas and water utilities	2.7	3.5
Wholesale trade	4.4	4.4
Retail trade	9.2	9.1
Finance, insurance and real estate	9.4	10.3
Public administration and defence	6.5	7.4
Service	11.0	13.8
Totals	100.0	100.0

Turning to consider in more detail developments in Gross Domestic Product in 1962, of the \$1.5 billion increase in total over \$400 million is accounted for by the gain in product in agriculture, reflecting a near record crop in 1962 in contrast to a poor crop in 1961. Of the important industries the next highest rate of increase 9 per cent, occurred in

manufacturing. The rates of increase in service and in communication were almost as high. Product in construction rose by about 7 per cent in 1962. All industries with the exception of the storage industry contributed in some degree to the 7.5 per cent increase in the total.

GEOGRAPHICAL DISTRIBUTION OF PERSONAL INCOME, 1955-62

Between 1955 and 1962 personal income rose from \$19,738 million to \$30,794 million, a gain of 56 per cent. This increase compares with a somewhat less than 50 per cent rise for National Income and Gross National Product. The main reason for this divergence is the sharp rise in Government transfer payments during the period. Personal income per person advanced by nearly one-third, which compares with about a 12.5 per cent increase in the consumer price index. Thus the period was one of rapidly rising real income per person.

The year-to-year changes in personal income reflect the cyclical swings in the economy, the erratic movements in agricultural production and the timing of legislative changes in social security. The sharpest increase in personal income, 11 per cent, occurred in 1956 as the economy moved to the peak of the investment boom. The next highest rate of increase, 8 per cent, occurred in 1962 when there was a major improvement in the crop and further progress of recovery from the recession of 1960-1961. The lowest rate of increase, 4 per cent, occurred in 1961, reflecting a sharp drop in farm income and recessionary influences carried over into the early part of the year.

The contribution of the various components of personal income to the gain in total in the period 1955 to 1962 differed widely. Government transfer payments more than doubled. Several factors account for the magnitude of this increase: the growth of population in age groups covered by Children's Allowances and Old Age Security; the rise in rates or the liberalization of conditions of benefit under existing social security schemes; and the introduction of such new schemes as hospital insurance. Farm income was only 17 per cent higher, despite a near-record crop in 1962. The rise in labour income was only slightly lower than the advance in total personal income, while the 73 per cent increase in investment income of persons substantially exceeded it. The most important element in the gain in investment income was the rise in interest receipts from mortgages (reflecting an increase in stock and an improvement in quality of housing) and from other forms of investment, including the investment income of life insurance companies, which is included in personal investment income. Income of non-farm unincorporated business rose by about one-third.

The percentage changes in selected components of personal income between 1955 and 1962 and between 1961 and 1962 are shown in the accompanying table:

Selected Income Components

Component	Per cent change	
	1955-62	1961-62
Personal income.....	56.0	8.0
Personal income per person	31.9	6.1
Labour income	54.0	6.8
Net farm income	16.8	47.7
Net income of unincorporated business, non-farm.....	32.9	4.0
Interest, dividends and net rental income of persons.....	73.2	6.7
Government transfer payments to persons	110.2	7.2
Non-farm personal income.....	58.6	6.7
Non-farm personal income, excluding transfers from Government.....	53.2	6.6

Personal income and personal income per person vary widely from province to province. Economic, demographic and sociological factors account for these disparities. High income industries are not evenly distributed geographically and the growth in employment opportunities is not uniform from province to province. The composition of a province's population helps to determine personal income per person in that where there is a relatively high proportion of children and elderly people there will be a relatively low proportion of income-earners. Such sociological factors as the willingness of married women to enter the labour force are also a factor in determining the number of earners per family.

The 56 per cent gain in personal income between 1955 and 1962 was not shared equally among the provinces. The highest rate of increase was in Newfoundland, 65 per cent, with Alberta following closely behind, 64 per cent. Manitoba and Quebec, with a 59 per cent and 57 per cent gain respectively

come next in order of magnitude of increase. Ontario and Prince Edward Island showed rates of increase only a little lower than the national average. Personal income in the remaining provinces advanced significantly less than in Canada as a whole, the lowest rate of increase, 48 per cent, being in Nova Scotia.

The pattern of increase in personal income by provinces is somewhat different on a per person basis. All the Maritime Provinces and two of the Prairie Provinces, namely Manitoba and Saskatchewan, experienced gains that were well in excess of the national average. The gain in Quebec was almost identical with that for Canada as a whole and the gain in Alberta only slightly lower. The increases in Ontario and British Columbia, particularly the latter, were well below the national average.

The accompanying tables show the changes in personal income and personal income per person by provinces between 1955 and 1962:

Personal Income, by Province

Province	Per cent increase 1955-62
Newfoundland	65.0
Alberta	63.9
Manitoba	58.8
Quebec	56.9
Canada	56.0
Ontario	55.2
Prince Edward Island	55.1
Saskatchewan	53.8
British Columbia	52.4
Yukon and Northwest Territories	51.6
New Brunswick	49.3
Nova Scotia	48.2

Personal Income per Person, by Province

Province	Per cent increase 1955-62
Prince Edward Island	46.2
Saskatchewan	45.2
Newfoundland	42.5
Manitoba	42.4
Nova Scotia	35.6
New Brunswick	34.5
Quebec	32.1
Canada	31.9
Alberta	30.6
Ontario	28.9
British Columbia	23.3
Yukon and Northwest Territories	12.7

While the disparities in personal income by provinces remain large, the pattern of increases in the period considered here was such as to narrow the differences between them. In 1955, Newfoundland had the lowest personal income per person of any province (\$682) and British Columbia the highest (\$1,538), that is about two and a quarter times as large. By 1962, Ontario had moved into first place on the income scale, with a personal income per person of \$1,938, nearly twice as high as in Newfoundland. However, the differences in rates

of change did not substantially alter the position of the provinces on the income scale. Despite better than average rates of increase in the Maritime Provinces, all four remained at the lower end of the income scale. The relative position of Quebec was unchanged. With a near record crop in 1962 the relative position of Saskatchewan and Manitoba improved, and Manitoba displaced Alberta as the province with the third highest personal income per person. Ontario and British Columbia remained at the top of the income scale.

GEOGRAPHICAL DISTRIBUTION OF PERSONAL INCOME IN 1962

Personal income rose 8 per cent in 1962, the largest gain since the boom year 1956. The rise in personal income in 1962 closely matched the advance in National Income and in Gross National Product; it compares with gains of 4 per cent in 1961 and of over 5 per cent in 1960. A near record crop in place of a poor crop in 1961 played an

important part in raising personal income; farm income was nearly 50 per cent higher than in the preceding year.

The changes in selected economic aggregates in the three years 1960-1962 are shown in the following table:

Selected Economic Aggregates, 1960 - 62

	Per cent change		
	1959 - 60	1960 - 61	1961 - 62
Personal income	5.3	4.0	8.0
Net income received by farmers from farm production	4.6	-19.4	47.7
Personal income, non-farm	5.3	5.0	6.7
Government transfer payments	13.6	8.9	7.2
Non-farm personal income (excluding transfer payments)	4.3	4.5	6.6
Net national income at factor cost	3.6	3.3	8.1
Gross National Product	3.8	3.2	8.0

Much the largest percentage gain in personal income in 1962 occurred in the province of Saskatchewan. The gain in Manitoba was also well above the national average. The magnitude of the increase in both provinces is accounted for by the changes in the crop referred to earlier. The gains in New-

foundland and in Alberta approximated the national average. The rise in personal income in the other provinces was significantly lower than the national average, with Prince Edward Island, and New Brunswick, at the lower end of the range.

The gain in personal income per person in 1962 was slightly over 6 per cent for Canada as a whole, substantially more than in the two preceding years. Much the highest gains in personal income per person, as in personal income, were in Saskatchewan and Manitoba. The increase in all other

provinces fell below the national average, the smallest rate of increase being in Nova Scotia.

The changes in the geographical distribution of personal income per person from 1960 to 1962 are shown in the accompanying table.

Personal Income per Person, Geographical Distribution

Province	Per cent change		
	1959-60	1960-61	1961-62
Newfoundland	6.8	4.8	5.5
Prince Edward Island	7.5	-1.9	3.9
Nova Scotia	4.3	3.3	3.3
New Brunswick	6.2	1.5	4.2
Quebec	3.4	4.1	4.1
Ontario	1.7	2.8	4.7
Manitoba	4.0	-1.7	11.4
Saskatchewan	13.6	-15.9	36.2
Alberta .....	.5	3.4	4.9
British Columbia	1.4	1.9	4.3
Yukon and Northwest Territories	10.5	-6.8	-3.1
Canada	3.0	1.9	6.1

Percentage Distribution of Gross Domestic Product at Factor Cost, by Industry, 1955 - 62

Line No.		1955	1956	1957	1958	1959	1960	1961	1962
1	Agriculture	7.3	7.2	5.5	5.9	5.3	5.4	4.6	5.5
2	Forestry	1.8	1.7	1.5	1.1	1.2	1.2	1.1	1.1
3	Fishing and trapping	0.4	0.4	0.3	0.4	0.3	0.3	0.3	0.3
4	Mining, quarrying, and oil wells	4.4	4.4	4.3	3.9	4.3	4.5	4.5	4.3
5	Manufacturing	27.9	28.0	27.8	26.4	26.6	26.0	25.7	26.1
6	Construction	5.7	6.4	6.8	6.7	6.0	5.4	5.3	5.3
7	Transportation	7.1	7.3	7.1	6.6	6.8	6.5	6.5	6.3
8	Storage	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.2
9	Communication	1.9	2.0	2.0	2.1	2.2	2.3	2.4	2.4
10	Electric power, gas, and water utilities	2.7	2.8	3.1	3.2	3.2	3.3	3.5	3.5
11	Wholesale trade	4.4	4.6	4.8	4.7	4.8	4.7	4.6	4.4
12	Retail trade	9.2	9.0	9.0	9.5	9.4	9.3	9.4	9.1
13	Finance, insurance, and real estate	9.4	8.6	9.3	9.9	10.2	10.6	10.7	10.3
14	Public administration and defence	6.5	6.4	6.8	7.2	7.1	7.2	7.5	7.4
15	Service	11.0	10.9	11.4	12.1	12.3	13.0	13.6	13.8
16	Totals	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Percentage Distribution of Personal Income by Source, 1955 - 62

Line No.		1955	1956	1957	1958	1959	1960	1961	1962
1	Wages, salaries, and supplementary labour income ¹	64.6	65.6	66.5	64.5	64.5	63.9	64.1	63.5
2	Military pay and allowances	2.0	2.0	2.1	2.0	1.9	1.9	1.9	1.9
3	Net income received by farm operators from farm production	6.1	6.5	4.4	4.9	4.3	4.3	3.3	4.5
4	Net income of non-farm unincorporated business ..	9.1	9.0	8.7	8.6	8.5	8.1	8.0	7.7
5	Interest, dividends, and net rental income of persons	9.3	8.7	9.2	9.2	10.0	10.3	10.5	10.3
6	Transfer payments (excluding interest)	8.9	8.2	9.1	10.8	10.8	11.5	12.2	12.1
7	Totals	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

¹ Excludes employer and employee contributions to social insurance and government pension funds.

Selected Per Person Income and Product Series in Current and Constant Dollars, 1955 - 62

Line No.		1955	1956	1957	1958	1959	1960	1961	1962
Current dollars									
1	Gross National Product	1,728	1,902	1,921	1,926	1,997	2,029	2,052	2,176
2	Personal Income	1,257	1,361	1,396	1,445	1,488	1,534	1,563	1,658
3	Personal Disposable Income	1,162	1,253	1,281	1,340	1,370	1,402	1,425	1,512
4	Personal Expenditure on Consumer Goods and Services	1,108	1,171	1,208	1,244	1,292	1,316	1,343	1,387
Constant (1957) dollars									
5	Gross National Expenditure	1,849	1,959	1,921	1,890	1,910	1,911	1,920	2,003
6	Personal Expenditure on Consumer Goods and Services	1,166	1,211	1,208	1,212	1,242	1,251	1,265	1,288

SECTION A
INCOME AND EXPENDITURE ACCOUNTS

1. Summary Tables

TABLE 1. National Income and Gross National Product, 1955-62

Line No.		1955	1956	1957	1958	1959	1960	1961	1962
millions of dollars									
1	Wages, salaries, and supplementary labour income	13,223	14,890	16,018	16,521	17,459	18,251	19,068	20,359
2	Military pay and allowances	394	424	476	491	496	509	550	586
3	Corporation profits before taxes ¹	2,965	3,345	3,056	3,075	3,504	3,359	3,460	3,824
4	Deduct: Dividends paid to non-residents	-395	-437	-475	-470	-501	-454	-587	-570
5	Rent, interest, and miscellaneous investment income	1,684	1,767	1,980	2,104	2,315	2,442	2,628	2,768
6	Accrued net income of farm operators from farm production ²	1,264	1,450	1,026	1,200	1,121	1,184	975	1,391
7	Net income of non-farm unincorporated business ³	1,791	1,965	2,008	2,125	2,210	2,213	2,289	2,380
8	Inventory valuation adjustment ⁴	-189	-238	-78	-35	-122	-80	-67	-132
9	Net National Income at factor cost	20,737	23,166	24,011	25,011	26,482	27,424	28,316	30,606
10	Indirect taxes less subsidies	3,237	3,636	3,861	3,882	4,259	4,470	4,716	5,261
11	Capital consumption allowances and miscellaneous valuation adjustments	3,266	3,642	4,009	3,899	4,204	4,459	4,539	4,755
12	Residual error of estimate	-108	141	28	102	-30	-99	-150	-221
13	Gross National Product at market prices	27,132	30,585	31,909	32,894	34,915	36,254	37,421	40,401

¹ In previous publications, this item was shown after deduction of dividends paid to non-residents, it is now however inclusive of such dividends. In order to derive series consistent with past published figures, lines 3 and 4 must be combined.

² Includes changes in farm inventories in millions of dollars as follows:

1955	198	1958	-92	1961	-288
1956	241	1959	-76	1962	149
1957	-125	1960	16		

An adjustment has been made to take account of the accrued earnings of farm operators arising out of the operations of the Canadian Wheat Board. (See footnote 5, Table 52).

³ I includes net income of independent professional practitioners.

⁴ See footnote 5, Table 2.

TABLE 2. Gross National Expenditure, 1955-62

Line No.		1955	1956	1957	1958	1959	1960	1961	1962
millions of dollars									
1	Personal expenditure on consumer goods and services	17,389	18,833	20,072	21,245	22,591	23,512	24,486	25,749
2	Government expenditure on goods and services ¹	4,792	5,386	5,722	6,180	6,490	6,755	7,205	7,721
3	Current expenditure ²	3,758	4,126	4,340	4,791	4,967	5,185	5,668	5,937
4	Gross fixed capital formation ³	1,034	1,260	1,382	1,389	1,523	1,570	1,537	1,784
5	Business gross fixed capital formation ⁴	5,210	6,774	7,335	6,975	6,894	6,692	6,635	6,954
6	New residential construction	1,378	1,526	1,409	1,763	1,734	1,443	1,458	1,577
7	New non-residential construction	1,848	2,589	3,103	2,811	2,589	2,577	2,683	2,668
8	New machinery and equipment	1,984	2,659	2,823	2,401	2,571	2,672	2,494	2,709
9	Value of physical change in inventories ⁵	311	1,084	231	-322	357	361	-144	565
10	Non-farm business inventories	133	808	305	-197	421	275	276	375
11	Farm inventories and grain in commercial channels	178	276	-74	-125	-64	86	-420	190
12	Exports of goods and services ⁶	5,764	6,365	6,391	6,340	6,683	7,008	7,631	8,224
13	Deduct: Imports of goods and services	-6,443	-7,715	-7,813	-7,423	-8,131	-8,172	-8,542	-9,033
14	Residual error of estimate	109	-142	-29	-101	31	98	150	221
15	Gross National Expenditure at market prices	27,132	30,585	31,909	32,894	34,915	36,254	37,421	40,401

¹ Includes defence expenditure which is shown in footnote 2, Table 37.

² Also includes net purchases of government commodity agencies and the defence production revolving fund. Excludes shipments of previously produced military equipment to NATO countries but includes replacements of new equipment.

³ Includes outlay on new durable assets such as building and highway construction by governments, other than government business enterprises (for detail see footnote 1, Table 43, and lines 2, 3 and 4, Table 54).

⁴ Includes capital expenditures by private and government business enterprises, private non-commercial institutions, and outlays on new residential construction by individuals and business investors. Total "Private and Public Investment in Canada" can be obtained by adding lines 4 and 5.

⁵ The book value of inventories is deflated to remove the effect of price changes and the derived "physical" change is then valued at average prices of the current period to obtain the value of physical change. The difference between this value of physical change and the change in book value is called the inventory valuation adjustment (see line 8, Table 1).

⁶ Excludes shipments of military equipment to NATO countries under the Defence Appropriation Act. See also Table 55.

TABLE 3. Relation between Net National Income at Factor Cost, Personal Income, Personal Disposable Income, and Personal Net Saving, 1955 - 62

Line No.		1955	1956	1957	1958	1959	1960	1961	1962
millions of dollars									
1	Net National income at factor cost	20,737	23,166	24,011	25,011	26,482	27,424	28,316	30,606
2	Add: Transfer payments (excluding interest on the public debt and charitable contributions from corporations) ¹	1,737	1,766	2,076	2,637	2,755	3,129	3,408	3,652
3	Add: Interest on the public debt ¹	669	714	739	782	963	1,096	1,164	1,274
4	Deduct: Earnings not paid out to persons ²	-3,405	-3,761	-3,635	-3,755	-4,164	-4,238	-4,382	-4,738
5	Equals: Personal income	19,738	21,885	23,191	24,675	26,036	27,411	28,506	30,794
6	Deduct: Personal direct taxes	-1,499	-1,732	-1,917	-1,795	-2,088	-2,360	-2,511	-2,714
7	Equals: Personal disposable income	18,239	20,153	21,274	22,880	23,948	25,051	25,995	28,080
8	Deduct: Personal expenditure on consumer goods and services	-17,389	-18,833	-20,072	-21,245	-22,591	-23,512	-24,486	-25,749
9	Equals: Personal net saving	850	1,320	1,202	1,635	1,357	1,539	1,509	2,331
10	Value of physical change in farm inventories	198	241	-125	-92	-76	16	-288	149
11	Personal saving excluding change in farm inventories	652	1,079	1,327	1,727	1,433	1,523	1,797	2,182

¹ Since National Income excludes transfer payments and personal income includes them, items 2 and 3 are added back here. However, charitable contributions from corporations are not added since they are included in National Income.

² This item includes: undistributed corporation profits, corporation profits taxes, withholding taxes, government investment income, adjustment on grain transactions, inventory valuation adjustment, and employer and employee contributions to social insurance and government pension funds.

TABLE 4. Relation between Gross National Product at Market Prices and Gross Domestic Product at Factor Cost, 1955 - 62

Line No.		1955	1956	1957	1958	1959	1960	1961	1962
millions of dollars									
1	Gross National Product at market prices	27,132	30,585	31,909	32,894	34,915	36,254	37,421	40,401
2	Deduct: Residual error of estimate	108	-141	-28	-102	30	99	150	221
3	Indirect taxes less subsidies	-3,237	-3,636	-3,861	-3,882	-4,259	-4,470	-4,716	-5,261
4	Income received from non-residents	-160	-142	-154	-168	-182	-173	-209	-211
5	Add: Income paid to non-residents	483	523	589	612	671	653	770	781
6	Gross domestic product at factor cost	24,326	27,189	28,455	29,354	31,175	32,363	33,416	35,931

TABLE 5. Gross National Expenditure in Constant (1957) Dollars, 1955-62^{1,2}

Line No.		1955	1956	1957	1958	1959	1960	1961	1962
millions of dollars									
1	Personal expenditure on consumer goods and services	18,304	19,478	20,072	20,707	21,711	22,357	23,070	23,915
2	Government expenditure on goods and services	5,319	5,664	5,722	6,113	6,205	6,255	6,544	6,761
3	Current expenditure	4,191	4,345	4,340	4,606	4,623	4,628	4,877	4,927
4	Gross fixed capital formation	1,135	1,319	1,382	1,507	1,582	1,627	1,667	1,834
5	Adjusting entry	-7	-	-	-	-	-	-	-
6	Business gross fixed capital formation	5,682	7,014	7,335	6,825	6,562	6,231	6,122	6,257
7	New residential construction	1,468	1,567	1,409	1,722	1,633	1,323	1,328	1,397
8	New non-residential construction	2,004	2,666	3,103	2,767	2,473	2,404	2,493	2,430
9	New machinery and equipment	2,204	2,781	2,823	2,336	2,456	2,504	2,301	2,430
10	Adjusting entry	6	-	-	-	-	-	-	-
11	Change in inventories	461	1,086	231	-314	338	345	-143	549
12	Non-farm business inventories	165	812	305	-196	414	271	272	359
13	Farm inventories and grain in commercial channels	238	274	-74	-118	-76	74	-415	190
14	Adjusting entry	58	-	-	-	-	-	-	-
15	Exports of goods and services	5,894	6,333	6,391	6,365	6,610	6,884	7,402	7,729
16	Deduct: Imports of goods and services	-6,825	-7,921	-7,813	-7,313	-8,058	-8,020	-8,112	-8,219
17	Residual error of estimate	116	-146	-29	-99	30	92	140	203
18	Adjusting entry	67	-	-	-	-	-	-	-
19	Gross National Expenditure in constant (1957) dollars	29,018	31,508	31,909	32,284	33,398	34,144	35,023	37,195
20	Index, line 19, 1949=100	134.2	145.7	147.6	149.3	154.4	157.9	162.0	172.0

¹ These data are given on a 1949 time base in Tables 56 and 57 in order to provide continuity with Tables 5 and 6 in *National Accounts, Income and Expenditure, 1926-1956*.

² For annual data for the period 1947-54, on a 1957 time base, see Tables 9 and 18 *National Accounts, Income and Expenditure, by Quarters, 1947-61* (DBS Catalogue No. 13-519).

TABLE 6. Implicit Price Indexes - Gross National Expenditure, 1955-62^{1,2}
(1957 = 100.0)

Line No.		1955	1956	1957	1958	1959	1960	1961	1962
1	Personal expenditure on consumer goods and services	95.0	96.7	100.0	102.6	104.1	105.2	106.1	107.7
2	Government expenditure on goods and services	90.1	95.1	100.0	101.1	104.6	108.0	110.1	114.2
3	Current expenditure	89.7	95.0	100.0	104.0	107.4	112.0	116.2	120.5
4	Gross fixed capital formation	91.1	95.5	100.0	92.2	96.3	96.5	92.2	97.3
5	Business gross fixed capital formation	91.7	96.6	100.0	102.2	105.1	107.4	108.4	111.1
6	New residential construction	93.9	97.4	100.0	102.4	106.2	109.1	109.8	112.9
7	New non-residential construction	92.2	97.1	100.0	101.6	104.7	107.2	107.6	109.8
8	New machinery and equipment	90.0	95.6	100.0	102.8	104.7	106.7	108.4	111.5
9	Exports of goods and services	97.8	100.5	100.0	99.6	101.1	101.8	103.1	106.4
10	Imports of goods and services	94.4	97.4	100.0	101.5	100.9	101.9	105.3	109.9
11	Residual error of estimate	93.7	97.0	100.0	101.9	104.5	106.2	106.8	108.7
12	Gross National Expenditure at market prices	93.5	97.1	100.0	101.9	104.5	106.2	106.8	108.6

¹ These implicit indexes are currently weighted price indexes. They reflect not only pure price changes, but also changing expenditure patterns within and between major groups. The implicit price index for Gross National Expenditure is derived by dividing the total of current dollars by the total of constant dollars.

² For annual data for the period 1947-54 on a 1957 time base, see Table 19 in *National Accounts, Income and Expenditure, by Quarters, 1947-61*, (DBS Catalogue No. 13-519).

2. Analysis of Income and Expenditure Accounts by Sectors of the Canadian Economy

TABLE 7. Personal Income and Expenditure Account, 1955-62
Income

Item No.		1955	1956	1957	1958	1959	1960	1961	1962
millions of dollars									
1	Wages, salaries, and supplementary labour income:								
	(a) From business (28 a)	11,081	12,517	13,379	13,572	14,248	14,702	15,153	16,109
	(b) From governments (19 bi)	1,682	1,871	2,088	2,333	2,531	2,761	3,026	3,266
	(c) From persons (9 b)	460	502	551	616	680	788	889	984
	(d) Deduct employer and employee contributions to social insurance and government pension funds (17)	-476	-532	-590	-615	-652	-745	-787	-816
2	Military pay and allowances (19 bii)	394	424	476	491	496	509	550	586
3	Net income received by farm operators from farm production ¹ (28 c)	1,200	1,430	1,026	1,201	1,126	1,178	949	1,402
4	Net income of non-farm unincorporated business (28 e)	1,791	1,965	2,008	2,125	2,210	2,213	2,289	2,380
5	Interest, dividends, and net rental income of persons ² (44 a)	1,840	1,908	2,141	2,277	2,599	2,836	2,985	3,186
6	Transfer payments (excluding interest):								
	(a) From governments (20 b)	1,737	1,766	2,076	2,637	2,755	3,129	3,408	3,652
	(b) Charitable contributions from corporations (44 b)	29	34	36	38	43	40	44	45
7	Totals	19,738	21,885	23,191	24,675	26,036	27,411	28,506	30,794

¹ This item differs from line 6 of Table 1 by excluding the adjustment which has been made to take account of the accrued net earnings arising out of the operations of the operations of the Canadian Wheat Board.

² Includes all government debt interest paid to persons.

TABLE 8. Personal Income and Expenditure Account, 1955-62
Expenditure

Item No.		1955	1956	1957	1958	1959	1960	1961	1962
millions of dollars									
8	Personal direct taxes:								
	(a) Income taxes (12 a)	1,297	1,496	1,693	1,554	1,744	1,978	2,131	2,311
	(b) Succession duties and estate taxes (12 b)....	127	146	126	126	130	158	144	166
	(c) Miscellaneous (12 c)	75	90	98	115	214	224	236	237
9	Purchases of goods and services:								
	(a) From business (24 a)	16,375	17,714	18,879	19,968	21,184	21,966	22,819	24,024
	(b) Direct services (1 c)	460	502	551	616	680	788	889	984
	(c) Travel expenditure (34 a)	449	498	525	542	598	627	642	610
	(d) Other expenditures abroad (34 b)	105	119	117	119	129	131	136	131
10	Personal net saving ¹ (48)	850	1,320	1,202	1,635	1,357	1,539	1,509	2,331
11	Totals	19,738	21,885	23,191	24,675	26,036	27,411	28,506	30,794

¹ This series includes changes in farm inventories, see Table 3.

TABLE 9. Government Revenue and Expenditure Account, 1955-62¹
Revenue

Item No.		1955	1956	1957	1958	1959	1960	1961	1962
millions of dollars									
12	Direct taxes — Persons:								
	(a) Income taxes (8a)	1,297	1,496	1,693	1,554	1,744	1,978	2,131	2,311
	(b) Succession duties and estate taxes (8b) ..	127	146	126	126	130	158	144	166
	(c) Miscellaneous (8c)	75	90	98	115	214	224	236	237
13	Direct taxes — Corporations:								
	(a) Income tax collections (44c)	1,099	1,362	1,539	1,325	1,425	1,666	1,551	1,655
	(b) Excess of income tax liabilities over income tax collections ² (44d)	173	51	-202	-10	156	-104	61	95
14	Withholding taxes (44e)	67	69	83	48	74	79	116	125
15	Indirect taxes (29a)	3,319	3,759	3,977	4,028	4,464	4,706	4,970	5,552
16	Investment income:								
	(a) Interest (44f)	238	258	293	363	415	463	487	519
	(b) Profits of government business enterprises (44g)	515	576	556	574	583	590	643	692
17	Employer and employee contributions to social insurance and government pension funds (1d)	476	532	590	615	652	745	787	816
18	Totals³	7,386	8,339	8,753	8,738	9,857	10,505	11,126	12,168

¹ See also Table 36.

² See footnote 2, Table 50.

³ Inter-governmental transfers are not included in this total, since in the consolidation of the government sector such transactions cancel out. For details of inter-governmental transfers, see Table 46.

TABLE 10. Government Revenue and Expenditure Account, 1955-62¹
Expenditure

Item No.		1955	1956	1957	1958	1959	1960	1961	1962
millions of dollars									
19	Purchase of goods and services: ²								
	(a) From business (24b)	2,716	3,091	3,156	3,356	3,463	3,485	3,629	3,869
	(b) Direct service:								
	(i) Wages and salaries (1b)	1,682	1,871	2,088	2,333	2,531	2,761	3,026	3,266
	(ii) Military pay and allowances (2)	394	424	476	491	496	509	550	586
20	Transfer payments:								
	(a) Interest (45)	669	714	739	782	963	1,096	1,164	1,274
	(b) Other (6a)	1,737	1,766	2,076	2,637	2,755	3,129	3,493	3,652
21	Subsidies (29b)	82	123	116	146	205	233	254	291
22	Surplus (+) or deficit (-) (on transactions relating to the National Accounts) ³ (51)	106	350	100	-1,007	-556	-711	-905	-770
23	Totals⁴	7,386	8,339	8,753	8,738	9,857	10,505	11,126	12,168

¹ See also Table 37.

² See line 2, Table 2.

³ For a reconciliation of the federal content of this consolidated surplus (or deficit) with the conventional federal budgetary surplus (or deficit) see Table 53.

⁴ In addition to total expenditure, this item includes the government surplus or deficit. Inter-governmental transfers are not included in this total, since in the consolidation of the government sector such transactions cancel out. For details of inter-governmental transfers, see Table 46.

TABLE 11. Business Operating Account, 1955-62
Revenue

Item No.		1955	1956	1957	1958	1959	1960	1961	1962
millions of dollars									
24	Sales to residents:								
	(a) Persons (9 a)	16,375	17,714	18,879	19,968	21,184	21,966	22,819	24,024
	(b) Governments ¹ (19 a)	2,716	3,091	3,158	3,356	3,463	3,485	3,629	3,869
	(c) Business gross fixed capital formation: ²								
	(i) New residential construction (54 a)	1,378	1,526	1,409	1,763	1,734	1,443	1,458	1,577
	(ii) New non-residential construction (54 b)	1,848	2,589	3,103	2,811	2,589	2,577	2,683	2,668
	(iii) New machinery and equipment (54 c)	1,984	2,659	2,823	2,401	2,571	2,672	2,494	2,709
	(d) Value of physical change in inventories (55)	311	1,084	231	-322	357	361	-144	565
25	Sales to non-residents:								
	(a) Travel expenditure (38 b)	328	337	363	349	391	420	482	560
	(b) Other (38 c)	5,276	5,886	5,874	5,823	6,110	6,415	6,940	7,453
26	Residual error of estimate	109	-142	-29	-101	31	98	150	221
27	Totals	30,325	34,744	35,811	36,048	38,430	39,437	40,511	43,646

¹ See footnotes 1, 2, 3, Table 2.² See footnote 4, Table 2.

TABLE 12. Business Operating Account, 1955-62
Expenditure

Item No.		1955	1956	1957	1958	1959	1960	1961	1962
millions of dollars									
28	Factory costs:								
	(a) Wages, salaries, and supplementary labour income (1 a)	11,081	12,517	13,379	13,572	14,248	14,702	15,153	16,109
	(b) Investment income (excluding interest and dividends received from non-residents and including interest and dividends paid to non-residents) (41)	4,577	5,056	4,996	5,153	5,807	5,827	6,062	6,592
	(c) Net income received by farm operators from farm production ¹ (3)	1,200	1,430	1,026	1,201	1,126	1,178	949	1,402
	(d) Adjustment on grain transactions ² (49 c)	64	20	-	-1	-5	6	26	-11
	(e) Net income of non-farm unincorporated business (4)	1,791	1,965	2,008	2,125	2,210	2,213	2,289	2,380
	(f) Inventory valuation adjustment (50)	-189	-238	-78	-35	-122	-80	-67	-132
29	Other costs:								
	(a) Indirect taxes (15)	3,319	3,759	3,977	4,028	4,464	4,706	4,970	5,552
	(b) Less subsidies (21)	-82	-123	-116	-146	-205	-236	-254	-291
	(c) Capital consumption allowances and miscellaneous valuation adjustments (49 b)	3,266	3,642	4,009	3,899	4,204	4,459	4,539	4,755
30	Purchases from non-residents (33 b)	5,406	6,575	6,582	6,150	6,733	6,761	6,994	7,511
31	Residual error of estimate	-108	141	28	102	-30	-99	-150	-221
32	Totals	30,325	34,744	35,811	36,048	38,430	39,437	40,511	43,646

¹ See footnote 1, Table 7.² This item is the adjustment to take account of the accrued earnings of farm operators arising out of the operations of the Canadian Wheat Board. See footnote 5, Table 52.

TABLE 13. Non-Residents' Revenue and Expenditure Account, 1955-62¹
 Receipts from Canada
 (Canadian Imports)

Item No.		1955	1956	1957	1958	1959	1960	1961	1962
		millions of dollars							
33	Receipts from business:								
	(a) Interest and dividends (46a)	416	455	512	523	567	523	630	633
	(b) Other than interest and dividends (30)	5,406	6,575	6,582	6,150	6,733	6,761	6,994	7,511
34	Receipts from persons:								
	(a) Travel expenditure (9c)	449	498	525	542	598	627	642	610
	(b) All other receipts (9d)	105	119	117	119	129	131	136	131
35	Receipts from Government—Interest (46b)	67	68	77	89	104	130	140	148
36	Surplus (+) or deficit (–) on current account (on transactions relating to the National Accounts) (56)..	-679	-1,350	-1,422	-1,083	-1,448	-1,164	-911	-809
37	Totals	5,764	6,365	6,391	6,340	6,683	7,008	7,631	8,224

¹ These figures differ from those shown in reports on *The Canadian Balance of International Payments*, Dominion Bureau of Statistics, because adjustments have been made to the figures of receipts and payments to achieve consistency with other component series, See Table 55.

TABLE 14. Non-Residents' Revenue and Expenditure Account, 1955-62¹
 Payments to Canada
 (Canadian Exports)

Item No.		1955	1956	1957	1958	1959	1960	1961	1962
		millions of dollars							
38	Payments to business:								
	(a) Interest and dividends (42a)	80	73	81	81	89	72	92	86
	(b) Travel expenditure (25a)	328	337	363	349	391	420	482	560
	(c) Other payments (25b)	5,276	5,886	5,874	5,823	6,110	6,415	6,940	7,453
39	Payments to other sectors:								
	Interest and dividends (42b)	80	69	73	87	93	101	117	125
40	Totals	5,764	6,365	6,391	6,340	6,683	7,008	7,631	8,224

¹ See footnote 1, Table 13.

TABLE 15. Investment Income Appropriation Account, 1955-62
 Source

Item No.		1955	1956	1957	1958	1959	1960	1961	1962
		millions of dollars							
41	Investment income (excluding interest and dividends received from non-residents and including interest and dividends paid to non-residents) (28b)	4,577	5,056	4,996	5,153	5,807	5,827	6,062	6,592
42	Interest and dividends from non-residents received by:								
	(a) Corporations (38a)	80	73	81	81	89	72	92	86
	(b) Other sectors (39)	80	69	73	87	93	101	117	125
43	Totals	4,737	5,198	5,150	5,321	5,989	6,000	6,271	6,803

TABLE 16. Investment Income Appropriation Account, 1955-62
Disposition

Item No.		1955	1956	1957	1958	1959	1960	1961	1962
		millions of dollars							
44	To Canadian residents:								
	(a) Interest, dividends, and net rental income of persons (5)	1,840	1,908	2,141	2,277	2,599	2,836	2,985	3,186
	(b) Charitable contributions from corporations (6b)	29	34	36	38	43	40	44	45
	(c) Corporation income tax collections (13a)....	1,099	1,362	1,539	1,325	1,425	1,666	1,551	1,655
	(d) Excess of corporation income tax liabilities over collections ¹ (13b).....	173	51	-202	-10	156	-104	61	95
	(e) Withholding taxes (14)	67	69	83	48	74	79	116	125
	(f) Government interest revenue (16a).....	238	258	293	363	415	463	487	519
	(g) Profits of government business enterprises (16b)	515	576	556	574	583	590	643	692
	(h) Undistributed corporation profits (49a)	962	1,131	854	876	986	873	778	979
45	Less: Interest on the public debt (20a).....	-669	-714	-739	-782	-963	-1,096	-1,164	-1,274
46	To non-residents, interest and dividends received from:								
	(a) Business (33a)	416	455	512	523	567	523	630	633
	(b) Government (35)	67	68	77	89	104	130	140	148
47	Totals	4,737	5,198	5,150	5,321	5,989	6,000	6,271	6,803

¹ See footnote 2, Table 50.

TABLE 17. National Saving Account, 1955-62
Source

Item No.		1955	1956	1957	1958	1959	1960	1961	1962
		millions of dollars							
48	Personal net saving (10)	850	1,320	1,202	1,635	1,357	1,539	1,509	2,331
49	Business gross saving:								
	(a) Undistributed corporation profits (44h)	962	1,131	854	876	986	873	778	979
	(b) Capital consumption allowances and miscellaneous valuation adjustments ¹ (29c)	3,266	3,642	4,009	3,899	4,204	4,459	4,539	4,755
	(c) Adjustment on grain transactions (28d).....	64	20	-	- 1	-5	6	26	- 11
50	Inventory valuation adjustment (28f)	-189	-238	-78	-35	-122	- 80	- 67	-132
51	Government surplus (+) or deficit (-) (22)	106	350	100	-1,007	-556	-711	-905	-770
52	Residual error of estimate	-108	141	28	102	- 30	- 99	-150	-221
53	Totals	4,951	6,366	6,115	5,469	5,834	5,987	5,730	6,931

¹ Includes capital consumption allowances of incorporated and unincorporated business as well as depreciation on dwellings. See also Table 51.

TABLE 18. National Saving Account, 1955 - 62
Disposition

Line No.		1955	1956	1957	1958	1959	1960	1961	1962
		millions of dollars							
54	Business gross fixed capital formation: ¹								
	(a) New residential construction (24 ci)	1,378	1,526	1,409	1,763	1,734	1,443	1,458	1,577
	(b) New non-residential construction (24 cii)	1,848	2,589	3,103	2,811	2,589	2,577	2,683	2,668
	(c) New machinery and equipment (24 ciii)	1,984	2,659	2,823	2,401	2,571	2,672	2,494	2,709
55	Value of physical change in inventories (24d)	311	1,084	231	-322	357	361	-144	565
56	Surplus (+) or deficit (-) on current account with non-residents ² (36)	-679	-1,350	-1,422	-1,083	-1,448	-1,164	-911	-809
57	Residual error of estimate	109	-142	-29	-101	31	98	150	221
58	Totals	4,951	6,366	6,115	5,469	5,834	5,987	5,730	6,931

¹ See footnote 4, Table 2. For reconciliation with *Private and Public Investment* figures published by the Department of Trade and Commerce, see Table 54.

² See footnote 1, Table 13.

TABLE 19. Sector Accounts Consolidation, 1955 - 62
National Income and Gross National Product

Line No.		1955	1956	1957	1958	1959	1960	1961	1962
		millions of dollars							
	Income originating in:								
	Personal sector:								
1	Wages, salaries, and supplementary labour income	460	502	551	616	680	788	889	984
2	Business sector	18,524	20,750	21,331	22,015	23,264	23,846	24,412	26,340
3	Wages, salaries, and supplementary labour income	11,081	12,517	13,379	13,572	14,248	14,702	15,153	16,109
4	Investment income (excluding interest and dividends received from non-residents and including interest and dividends paid to non-residents)	4,577	5,056	4,996	5,153	5,807	5,827	6,062	6,592
5	Net income received by farm operators from farm production	1,200	1,430	1,026	1,201	1,126	1,178	949	1,402
6	Adjustment on grain transactions	64	20	-	-1	-5	6	26	-11
7	Net income of non-farm unincorporated business	1,791	1,965	2,008	2,125	2,210	2,213	2,289	2,380
8	Inventory valuation adjustment	-189	-238	-78	-35	-122	-80	-67	-132
9	Government sector	2,076	2,295	2,564	2,824	3,027	3,270	3,576	3,852
10	Wages, salaries, and supplementary labour income	1,682	1,871	2,088	2,333	2,531	2,761	3,026	3,266
11	Military pay and allowances	394	424	476	491	496	509	550	586
12	Non-residents' sector	-323	-381	-435	-444	-489	-480	-561	-570
13	Interest and dividends paid by non-residents:								
14	(a) To Canadian corporations	80	73	81	81	89	72	92	86
14	(b) To other Canadian sectors	80	69	73	87	93	101	117	125
	Less interest and dividends received by non-residents:								
15	(a) From Canadian business	-416	-455	-512	-523	-567	-523	-630	-633
16	(b) From Canadian governments	-67	-68	-77	-89	-104	-130	-140	-148
17	Net national income at factor cost	20,737	23,166	24,011	25,011	26,482	27,424	28,316	30,606
18	Capital consumption allowances and miscellaneous valuation adjustments	3,266	3,642	4,009	3,899	4,204	4,459	4,539	4,755
19	Indirect taxes	3,319	3,759	3,977	4,028	4,464	4,706	4,970	5,552
20	Less subsidies	-82	-123	-116	-146	-205	-236	-254	-291
21	Residual error of estimate	-108	141	28	102	-30	-99	-150	-221
22	Gross National Product at market prices	27,132	30,585	31,909	32,894	34,915	36,254	37,421	40,401

TABLE 20. Sector Accounts Consolidation, 1955 - 62
Gross National Expenditure

Line No.		1955	1956	1957	1958	1959	1960	1961	1962
		millions of dollars							
1	Personal expenditure on consumer goods and services	17,389	18,833	20,072	21,245	22,591	23,512	24,486	25,749
2	Purchases from business	16,375	17,714	18,879	19,968	21,184	21,966	22,819	24,024
3	Purchases of direct services	460	502	551	616	680	788	889	984
4	Purchases from non-residents	554	617	642	661	727	758	778	741
5	Government expenditure on goods and services	4,792	5,386	5,722	6,180	6,490	6,755	7,205	7,721
6	Purchases from business	2,716	3,091	3,158	3,356	3,463	3,485	3,629	3,869
7	Wages and salaries	1,682	1,871	2,088	2,333	2,531	2,761	3,026	3,266
8	Military pay and allowances	394	424	476	491	496	509	550	586
9	Business gross fixed capital formation	5,210	6,774	7,335	6,975	6,894	6,692	6,635	6,954
10	New residential construction	1,378	1,526	1,409	1,763	1,734	1,443	1,458	1,577
11	New non-residential construction	1,848	2,589	3,103	2,811	2,589	2,577	2,683	2,668
12	New machinery and equipment	1,984	2,659	2,823	2,401	2,571	2,672	2,494	2,709
13	Value of physical change in inventories	311	1,084	231	-322	357	361	-144	565
14	Exports of goods and services	5,764	6,365	6,391	6,340	6,683	7,008	7,631	8,224
15	Payments to Canadian business	5,684	6,296	6,318	6,253	6,590	6,907	7,514	8,099
16	Payments to other sectors	80	69	73	87	93	101	117	125
17	Imports of goods and services	-6,443	-7,715	-7,813	-7,423	-8,131	-8,172	-8,542	-9,033
18	Receipts from Canadian business	-5,822	-7,030	-7,094	-6,673	-7,300	-7,284	-7,624	-8,144
19	Receipts from persons	-554	-617	-642	-661	-727	-758	-778	-741
20	Receipts from government	- 67	- 68	- 77	- 89	-104	-130	-140	-148
21	Residual error of estimate	109	-142	- 29	-101	31	98	150	221
22	Gross National Expenditure at market prices	27,132	30,585	31,909	32,894	34,915	36,254	37,421	40,401

SECTION B

INDUSTRIAL DISTRIBUTION OF GROSS DOMESTIC PRODUCT AND OTHER AGGREGATES

TABLE 21. Gross Domestic Product at Factor Cost, by Industry, 1955 - 62¹

Line No.		1955	1956	1957	1958	1959	1960	1961	1962
millions of dollars									
1	Agriculture	1,767	1,973	1,551	1,732	1,660	1,743	1,547	1,976
2	Forestry	438	462	413	336	380	389	379	390
3	Fishing and trapping	85	98	88	108	95	92	102	116
4	Mining, quarrying, and oil wells	1,071	1,196	1,222	1,151	1,340	1,451	1,499	1,550
5	Manufacturing	6,779	7,605	7,904	7,753	8,286	8,430	8,592	9,370
6	Construction	1,385	1,752	1,935	1,974	1,872	1,750	1,780	1,906
7	Transportation	1,719	1,983	2,032	1,940	2,133	2,109	2,173	2,281
8	Storage	68	79	77	80	88	87	89	87
9	Communication	473	532	581	623	686	743	787	855
10	Electric power, gas, and water utilities	664	768	879	935	998	1,066	1,157	1,249
11	Wholesale trade	1,080	1,260	1,371	1,387	1,487	1,512	1,531	1,583
12	Retail trade	2,243	2,437	2,573	2,787	2,924	3,012	3,134	3,257
13	Finance, insurance, and real estate ²	2,298	2,337	2,646	2,911	3,175	3,422	3,574	3,690
14	Public administration and defence	1,590	1,738	1,928	2,100	2,201	2,341	2,523	2,665
15	Service	2,666	2,969	3,255	3,537	3,850	4,216	4,549	4,956
16	Totals	24,326	27,189	28,455	29,354	31,175	32,363	33,416	35,931

¹ For a reconciliation between Gross National Product at market prices and gross domestic product at factor cost, see Table 4. It should be noted that the data for wages, salaries, and supplementary labour income; and the inventory valuation adjustment are on an establishment basis, while the data for net income of unincorporated business; investment income; and capital consumption allowances and miscellaneous valuation adjustments are on a company basis.

Details by industry on capital consumption allowances and miscellaneous valuation adjustments, and the inventory valuation adjustment are not given pending further research, and Tables 22 to 24 are therefore not additive to the above data.

² This group includes ownership of dwelling.

TABLE 22. Wages, Salaries, and Supplementary Labour Income, by Industry, 1955 - 62¹

Line No.		1955	1956	1957	1958	1959	1960	1961	1962
millions of dollars									
1	Agriculture	161	172	172	178	182	192	195	199
2	Forestry	342	388	354	288	307	345	306	328
3	Fishing and trapping	20	23	21	26	23	23	25	28
4	Mining, quarrying, and oil wells	457	528	569	561	587	597	592	611
5	Manufacturing	4,299	4,766	5,034	5,029	5,302	5,473	5,641	6,063
6	Construction	936	1,239	1,341	1,346	1,309	1,250	1,261	1,364
7	Transportation	1,123	1,247	1,306	1,302	1,383	1,378	1,410	1,438
8	Storage	44	49	53	55	61	60	59	59
9	Communication	303	342	385	413	427	453	476	500
10	Electric power, gas, and water utilities	212	249	288	320	345	362	377	400
11	Wholesale trade	739	830	919	953	1,019	1,074	1,111	1,180
12	Retail trade	1,187	1,304	1,420	1,488	1,592	1,659	1,725	1,807
13	Finance, insurance, and real estate	554	619	698	734	771	827	898	963
14	Public administration and defence ¹	1,590	1,738	1,928	2,100	2,201	2,341	2,523	2,665
15	Service	1,650	1,820	2,006	2,219	2,446	2,726	3,019	3,340
16	Totals	13,617	15,314	16,494	17,012	17,955	18,760	19,618	20,945

¹ Includes military pay and allowances.

TABLE 23. Investment Income, by Industry, 1955-62¹

Line No.		1955	1956	1957	1958	1959	1960	1961	1962
millions of dollars									
1	Agriculture	44	48	52	55	54	57	61	65
2	Forestry	21	17	5	7	11	4	14	15
3	Fishing and trapping	—	—	—	—	—	—	—	—
4	Mining, quarrying, and oil wells	342	402	344	265	346	378	414	448
5	Manufacturing	1,552	1,722	1,583	1,508	1,742	1,622	1,641	1,920
6	Construction	86	122	167	190	133	99	115	119
7	Transportation	215	263	185	131	199	188	192	225
8	Storage	12	16	9	13	15	14	15	12
9	Communication	74	81	72	107	145	164	177	209
10	Electric power, gas, and water utilities	301	334	369	383	411	435	496	531
11	Wholesale trade	244	325	295	273	305	276	262	258
12	Retail trade	319	379	391	441	459	427	435	502
13	Finance, insurance, and real estate	1,178	1,129	1,280	1,528	1,708	1,870	1,937	1,955
14	Public administration and defence	—	—	—	—	—	—	—	—
15	Service	189	218	244	252	279	293	303	333
16	Totals	4,577	5,056	4,996	5,153	5,807	5,827	6,062	6,592

¹ The total of this table does not agree with the sum of corporation profits; and rent, interest, and miscellaneous investment income in Table 1. Data in Table 1 are on a national concept basis, while the data in this table are on a domestic concept basis. Interest and dividends paid to non-residents are included in this table and interest and dividends received from non-residents are excluded from this table.

TABLE 24. Accrued Net Income of Farm Operators from Farm Production and Net Income of Non-Farm Unincorporated Business, by Industry, 1955-62

Line No.		1955	1956	1957	1958	1959	1960	1961	1962
millions of dollars									
1	Agriculture	1,264	1,450	1,026	1,200	1,121	1,184	975	1,391
2	Forestry	62	54	35	29	29	31	27	27
3	Fishing and trapping	39	49	38	57	47	43	51	59
4	Mining, quarrying, and oil wells	6	6	6	6	6	6	6	7
5	Manufacturing	151	176	179	172	173	177	206	213
6	Construction	264	270	281	283	296	253	256	277
7	Transportation	66	71	66	72	79	81	86	85
8	Storage; communication; and electric power, gas, and water utilities	—	—	—	—	—	—	—	—
9	Retail trade	488	544	577	612	643	669	676	695
10	Wholesale trade	55	59	48	60	62	50	50	52
11	Finance, insurance, and real estate	63	68	67	69	70	61	67	66
12	Service	597	668	711	765	805	842	864	899
13	Totals	3,055	3,415	3,034	3,325	3,331	3,397	3,264	3,771

TABLE 25. Business Gross Fixed Capital Formation, by Industry, 1955-62^{1,2}

Line No.		1955	1956	1957	1958	1959	1960	1961	1962
millions of dollars									
1	Agriculture ³	426	488	434	465	539	550	576	648
2	Fishing and trapping								
3	Forestry								
4	Mining, quarrying, and oil wells	336	542	606	342	342	400	449	478
5	Manufacturing	947	1,394	1,479	1,095	1,144	1,178	1,085	1,231
6	Construction	174	200	158	157	145	130	136	143
7	Transportation	395	731	1,042	967	746	704	645	489
8	Storage ⁴								
9	Communication								
10	Electric power, gas, and water utilities	516	772	949	845	766	688	710	748
11	Trade	329	325	370	356	363	381	307	305
12	Finance, insurance, and real estate ⁵	1,480	1,650	1,545	1,943	2,001	1,722	1,770	1,885
13	Service	325	342	392	436	475	508	570	585
14	Totals	5,210	6,774	7,335	6,975	6,894	6,692	6,635	6,954

¹ This table is derived from the publication *Private and Public Investment in Canada*. Additional detail has been provided by the Business Finance Division, DBS, and adjustments have been made to convert the data to national accounting concepts. (See reconciliation statement, Table 54).

² Since 1960, industry detail is based on the revised (1960) Standard Industrial Classification and consequently figures prior to this year for the manufacturing and mining industries are not strictly comparable. For an indication of the magnitude of these changes, see *Private and Public Investment in Canada—Outlook 1962*, page 23.

³ Estimates for Agriculture from 1961 onward are based on the 1958 Farm Income and Expenditure Survey and the 1961 Census of Agriculture. The effect of this benchmark revision on the years between 1951-1961 is not published at this time and consequently a break appears in the series between 1960 and 1961.

⁴ Prior to 1954 grain elevators were included with the electric power, gas and water utilities group. Details for reconciliation of the groups may be found in *Private and Public Investments in Canada* publications.

⁵ Includes new residential construction.

TABLE 26. Value of Physical Change in Inventories, by Industry, 1955-62

Line No.		1955	1956	1957	1958	1959	1960	1961	1962
millions of dollars									
1	Agriculture	198	241	-125	- 92	- 76	16	-288	149
2	Forestry	9	3	4	- 21	27	- 9	-2	-2
3	Fishing and trapping	—	—	—	—	—	—	—	—
4	Mining, quarrying, and oil wells	- 6	15	43	45	-2	4	12	20
5	Manufacturing	- 6	433	140	-149	151	104	81	167
6	Construction	18	29	-9	-10	11	- 9	3	20
7	Transportation	-32	28	8	-20	6	-26	-17	-1
8	Storage								
9	Communication								
10	Electric power, gas, and water utilities	- 2	16	20	- 7	-18	1	- 3	9
	Trade:								
11	Grain in commercial channels	-20	35	51	-33	12	70	-132	41
12	Wholesale (excluding grain in commercial channels)	47	127	71	-44	123	18	87	15
13	Retail	109	155	27	10	123	192	111	141
14	Finance, insurance, and real estate	- 4	2	1	- 1	—	—	4	6
15	Service								
16	Totals	311	1,084	231	-322	357	361	-144	565

TABLE 27. Corporation Profits, by Industry, 1955 - 62

Item No.		1955	1956	1957	1958	1959	1960	1961	1962
1	Agriculture	21	16	5	9	11	3	16	16
2	Forestry								
3	Fishing and trapping.....								
4	Mining, quarrying, and oil wells	325	382	322	246	326	361	395	430
5	Manufacturing.....	1,515	1,646	1,469	1,401	1,658	1,519	1,542	1,805
6	Construction.....	77	106	150	173	113	79	95	97
7	Transportation	144	177	145	96	134	133	129	127
8	Storage	11	15	8	12	15	13	14	11
9	Communication.....	43	48	47	81	116	129	139	160
10	Electric power, gas, and water utilities	55	60	61	57	72	84	88	94
11	Wholesale trade	222	295	262	241	272	240	227	220
12	Retail trade	170	213	209	241	256	219	217	274
13	Finance, insurance, and real estate.....	326	318	301	445	446	497	523	505
14	Service	56	69	77	73	85	82	75	85
15	Totals¹	2,965	3,345	3,056	3,075	3,504	3,359	3,460	3,824

¹ For an analysis of total corporation profits see Table 50.

SECTION C

GEOGRAPHICAL DISTRIBUTION OF PERSONAL INCOME

TABLE 28. Personal Income, Geographical Distribution, 1955 - 62¹

Line No.		1955	1956	1957	1958	1959	1960	1961	1962
		millions of dollars							
1	Newfoundland	277	311	329	343	363	394	422	457
2	Prince Edward Island	69	78	76	85	93	102	102	107
3	Nova Scotia	627	675	721	757	804	848	888	929
4	New Brunswick	450	497	513	541	573	616	635	672
5	Quebec	4,847	5,318	5,742	6,071	6,353	6,725	7,159	7,603
6	Ontario	7,918	8,617	9,399	9,978	10,566	11,002	11,540	12,292
7	Manitoba	999	1,126	1,132	1,262	1,328	1,403	1,403	1,586
8	Saskatchewan	1,022	1,226	1,019	1,107	1,177	1,350	1,148	1,572
9	Alberta	1,410	1,635	1,660	1,850	1,932	2,007	2,142	2,311
10	British Columbia	2,064	2,332	2,527	2,608	2,755	2,857	2,960	3,145
11	Yukon and Northwest Territories	31	43	42	39	41	48	46	47
12	Foreign Countries ²	24	27	31	34	51	59	61	73
13	Canada	19,738	21,885	23,191	24,675	26,036	27,411	28,506	30,794

¹ Geographical distributions of only the main components of personal income are given in Tables 31 to 35 inclusive: these tables, therefore, do not add to the total of personal income.

² Income of Canadians temporarily abroad including pay and allowances of Canadian Armed Forces abroad.

TABLE 29. Personal Income per Person, Geographical Distribution, 1955 - 62

Line No.		1955	1956	1957	1958	1959	1960	1961	1962
		dollars							
1	Newfoundland	682	749	776	794	823	879	921	972
2	Prince Edward Island	690	788	768	850	921	990	971	1,009
3	Nova Scotia	918	971	1,029	1,068	1,118	1,166	1,205	1,245
4	New Brunswick	823	895	913	947	985	1,046	1,062	1,107
5	Quebec	1,073	1,149	1,204	1,238	1,265	1,308	1,361	1,417
6	Ontario	1,504	1,594	1,668	1,714	1,770	1,800	1,851	1,938
7	Manitoba	1,191	1,325	1,313	1,442	1,490	1,549	1,522	1,696
8	Saskatchewan	1,164	1,392	1,158	1,242	1,298	1,475	1,241	1,690
9	Alberta	1,292	1,456	1,426	1,534	1,548	1,555	1,608	1,687
10	British Columbia	1,538	1,667	1,705	1,696	1,758	1,783	1,817	1,896
11	Yukon and Northwest Territories	1,069	1,387	1,355	1,182	1,206	1,333	1,243	1,205
12	Canada	1,257	1,361	1,396	1,445	1,489	1,534	1,563	1,658

TABLE 30. Personal Disposable Income,¹ Geographical Distribution, 1955-62

Line No.		1955	1956	1957	1958	1959	1960	1961	1962
millions of dollars									
1	Newfoundland	264	294	311	329	347	374	401	434
2	Prince Edward Island	67	75	73	83	91	98	98	103
3	Nova Scotia	601	644	680	719	765	793	836	872
4	New Brunswick	431	474	484	504	532	573	598	632
5	Quebec	4,463	4,900	5,281	5,667	5,904	6,203	6,585	7,022
6	Ontario	7,219	7,774	8,536	9,153	9,569	9,885	10,363	10,993
7	Manitoba	933	1,051	1,054	1,180	1,224	1,291	1,277	1,453
8	Saskatchewan	964	1,178	949	1,037	1,100	1,266	1,056	1,470
9	Alberta	1,323	1,536	1,530	1,726	1,792	1,857	1,982	2,130
10	British Columbia	1,922	2,160	2,306	2,412	2,535	2,608	2,696	2,855
11	Yukon and Northwest Territories	28	40	39	36	38	44	42	43
12	Foreign Countries ²	24	27	31	34	51	59	61	73
13	Canada	18,239	20,153	21,274	22,880	23,948	25,051	25,995	28,080

¹ Personal disposable income consists of total personal income less personal direct taxes.

² Taxes paid by Canadians temporarily abroad cannot be estimated and all direct taxes are allocated to provincial personal incomes only.

TABLE 31. Wages, Salaries, and Supplementary Labour Income,¹ Geographical Distribution, 1955-62

Line No.		1955	1956	1957	1958	1959	1960	1961	1962
millions of dollars									
1	Newfoundland	191	215	226	222	236	258	279	305
2	Prince Edward Island	33	36	38	38	42	46	52	55
3	Nova Scotia	405	440	465	475	500	527	552	575
4	New Brunswick	293	327	332	340	362	384	402	423
5	Quebec	3,377	3,817	4,103	4,237	4,447	4,692	4,902	5,245
6	Ontario	5,546	6,198	6,741	6,973	7,349	7,613	7,969	8,555
7	Manitoba	635	700	738	771	829	874	902	945
8	Saskatchewan	445	499	534	567	603	622	653	693
9	Alberta	839	961	1,029	1,091	1,167	1,221	1,304	1,374
10	British Columbia	1,426	1,649	1,765	1,763	1,873	1,959	1,999	2,131
11	Yukon and Northwest Territories	26	39	37	34	38	42	40	42
12	Foreign Countries	7	9	10	10	13	13	14	16
13	Canada	13,223	14,890	16,018	16,521	17,459	18,251	19,068	20,359

¹ Excludes military pay and allowances, includes employer and employee contributions to social insurance and government pension funds.

**TABLE 32. Net Income Received by Farm Operators From Farm Production,¹
Geographical Distribution, 1955 - 62**

Line No.		1955	1956	1957	1958	1959	1960	1961	1962
		millions of dollars							
1	Newfoundland	2	2	2	2	2	2	2	2
2	Prince Edward Island	11	13	9	12	12	13	6	5
3	Nova Scotia	15	16	15	13	13	13	11	8
4	New Brunswick	17	25	19	18	15	22	9	8
5	Quebec	218	186	176	194	182	178	170	158
6	Ontario	316	297	307	360	298	309	311	300
7	Manitoba	82	127	75	119	102	94	56	158
8	Saskatchewan	296	443	192	191	221	305	102	432
9	Alberta	197	273	181	237	228	192	226	270
10	British Columbia	46	48	50	55	53	50	56	61
11	Yukon and Northwest Territories	—	—	—	—	—	—	—	—
12	Canada	1, 200	1, 430	1, 026	1, 201	1, 126	1, 178	949	1, 402

¹ This item differs from line 6, Table 1, by excluding the adjustment which has been made to take account of the accrued earnings arising out of the operations of the Canadian Wheat Board.

**TABLE 33. Net Income of Non-Farm Unincorporated Business, Geographical Distribution,
1955 - 62**

Line No.		1955	1956	1957	1958	1959	1960	1961	1962
		millions of dollars							
1	Newfoundland	29	33	35	34	38	41	43	45
2	Prince Edward Island	8	10	10	12	13	13	13	13
3	Nova Scotia	69	75	76	82	84	86	86	90
4	New Brunswick	50	52	48	54	57	58	58	61
5	Quebec	395	439	451	465	500	496	522	543
6	Ontario	688	736	752	801	819	803	831	859
7	Manitoba	101	109	114	120	131	136	136	142
8	Saskatchewan	89	104	112	114	119	128	129	134
9	Alberta	135	155	162	176	181	194	200	207
10	British Columbia	224	250	246	265	266	255	268	283
11	Yukon and Northwest Territories	3	2	2	2	2	3	3	3
12	Canada	1, 791	1, 965	2, 008	2, 125	2, 210	2, 213	2, 289	2, 380

**TABLE 34. Interest, Dividends, and Net Rental Income of Persons,
Geographical Distribution, 1955 - 62**

Line No.		1955	1956	1957	1958	1959	1960	1961	1962
		millions of dollars							
1	Newfoundland	17	18	18	19	22	23	24	25
2	Prince Edward Island	6	6	6	6	8	8	8	8
3	Nova Scotia	46	48	54	55	64	71	75	79
4	New Brunswick	33	34	39	40	46	49	51	54
5	Quebec	439	446	514	530	612	670	717	769
6	Ontario	828	850	966	1,051	1,177	1,293	1,377	1,453
7	Manitoba	86	94	99	106	121	135	139	150
8	Saskatchewan	78	83	72	76	91	111	94	116
9	Alberta	122	129	137	149	171	178	188	202
10	British Columbia	184	199	235	244	286	297	311	329
11	Yukon and Northwest Territories	1	1	1	1	1	1	1	1
12	Canada	1,840	1,908	2,141	2,277	2,599	2,836	2,985	3,186

**TABLE 35. Government Transfer Payments, Excluding Interest, Geographical Distribution,
1955 - 62**

Line No.		1955	1956	1957	1958	1959	1960	1961	1962
		millions of dollars							
1	Newfoundland	42	47	50	67	67	73	77	83
2	Prince Edward Island	11	11	12	16	16	20	20	22
3	Nova Scotia	72	73	85	105	115	126	134	145
4	New Brunswick	59	62	77	92	95	107	119	128
5	Quebec	467	483	555	709	681	784	943	986
6	Ontario	541	549	655	811	956	1,054	1,127	1,198
7	Manitoba	90	89	100	142	147	171	176	198
8	Saskatchewan	121	105	117	168	154	197	184	211
9	Alberta	118	121	152	203	199	241	244	279
10	British Columbia	214	224	270	320	323	352	381	400
11	Yukon and Northwest Territories	1	1	2	3	2	4	3	2
12	Foreign Countries	1	1	1	1	—	—	—	—
13	Canada	1,737	1,766	2,076	2,637	2,755	3,129	3,408	3,652

SECTION D
GOVERNMENT SUPPLEMENTARY TABLES

TABLE 36. Government Revenue and Expenditure, by Level of Government, 1955-62¹
Revenue

Line No.		1955	1956	1957	1958	1959	1960	1961	1962
		millions of dollars							
1	Direct taxes — Persons	1,499	1,732	1,917	1,795	2,088	2,360	2,511	2,714
2	Federal	1,325	1,550	1,723	1,581	1,770	2,017	2,132	2,088
3	Provincial	159	165	176	195	297	320	354	600
4	Municipal	15	17	18	19	21	23	25	26
5	Direct taxes — Corporations	1,272	1,413	1,337	1,315	1,581	1,562	1,612	1,750
6	Federal ²	1,210	1,334	1,132	1,075	1,310	1,284	1,311	1,328
7	Provincial ³	62	79	205	240	271	278	301	422
	Withholding taxes:								
8	Federal	67	69	83	48	74	79	116	125
9	Indirect taxes	3,319	3,759	3,977	4,028	4,464	4,706	4,970	5,552
10	Federal	1,744	1,972	1,990	1,912	2,125	2,180	2,190	2,400
11	Provincial	739	846	937	960	1,043	1,091	1,244	1,516
12	Municipal	836	941	1,050	1,156	1,296	1,435	1,536	1,636
13	Investment income	753	834	849	937	998	1,053	1,130	1,211
14	Federal	267	296	276	327	350	384	409	448
15	Provincial	309	346	367	390	413	425	455	478
16	Municipal	177	192	206	220	235	244	266	285
17	Employer and employee contributions to social insurance and government pension funds	476	532	590	615	652	745	787	816
18	Federal	324	357	384	391	414	482	510	518
19	Provincial	140	162	192	202	216	239	251	269
20	Municipal	12	13	14	22	22	24	26	29
21	Transfers from other levels of government	799	865	1,001	1,225	1,526	1,725	1,997	2,203
22	Provinces — From Canada	443	476	505	640	856	962	1,095	1,094
23	From municipalities	22	18	28	17	24	16	14	17
24	Municipalities — From Canada	7	9	16	23	24	32	33	42
25	From provinces	327	362	452	545	622	715	855	1,050
26	Total revenue	8,185	9,204	9,754	9,963	11,383	12,230	13,123	14,371
27	Federal	4,937	5,578	5,588	5,334	6,043	6,426	6,668	6,907
28	Provincial	1,874	2,092	2,410	2,644	3,120	3,331	3,714	4,396
29	Municipal	1,374	1,534	1,756	1,985	2,220	2,473	2,741	3,068

¹ For total government revenue and expenditure excluding inter-governmental transfers, see Tables 9 and 10.

² For details of tax collections and tax liabilities, see Table 50.

³ See footnote 2, Table 50.

TABLE 37. Government Revenue and Expenditure, by Level of Government, 1955-62¹
Expenditure

Line No.		1955	1956	1957	1958	1959	1960	1961	1962
millions of dollars									
1	Goods and services	4,792	5,386	5,722	6,180	6,490	6,755	7,205	7,721
2	Federal ²	2,510	2,683	2,728	2,854	2,832	2,725	2,974	3,008
3	Provincial	846	1,041	1,128	1,222	1,349	1,456	1,455	1,606
4	Municipal	1,436	1,662	1,866	2,104	2,309	2,574	2,776	3,107
5	Transfer payments to persons (excluding interest on the public debt)	1,737	1,766	2,076	2,637	2,755	3,129	3,408	3,652
6	Federal	1,232	1,224	1,463	1,899	1,791	1,979	2,015	2,122
7	Provincial	463	500	564	677	895	1,073	1,299	1,421
8	Municipal	42	42	49	61	69	77	94	109
9	Interest on the public debt	669	714	739	782	963	1,096	1,164	1,274
10	Federal	494	524	519	544	678	756	783	855
11	Provincial	97	105	114	119	126	153	163	177
12	Municipal	78	85	106	119	159	187	218	242
13	Subsidies	82	123	116	146	205	236	254	291
14	Federal	75	118	108	131	189	210	221	260
15	Provincial	7	5	8	15	16	26	33	31
16	Transfers to other levels of governments	799	865	1,001	1,225	1,526	1,725	1,997	2,203
17	Canada—To provinces	443	476	505	640	856	962	1,095	1,094
18	To municipalities	7	9	16	23	24	32	33	42
19	Provinces—To municipalities	327	362	452	545	622	715	855	1,050
20	Municipalities—To provinces	22	18	28	17	24	16	14	17
21	Total expenditure	8,079	8,854	9,654	10,970	11,939	12,941	14,028	15,141
22	Federal	4,761	5,034	5,339	6,091	6,370	6,664	7,121	7,381
23	Provincial	1,740	2,013	2,266	2,578	3,008	3,423	3,805	4,285
24	Municipal	1,578	1,807	2,049	2,301	2,561	2,854	3,102	3,475
25	Deficit (-) or surplus (+)	106	350	100	-1,007	-556	-711	-905	-770
26	Federal ³	176	544	249	-757	-327	-238	-453	-474
27	Provincial	134	79	144	66	112	-92	-91	111
28	Municipal	-204	-273	-293	-316	-341	-381	-361	-407
29	Total expenditure minus deficit (or plus surplus)	8,185	9,204	9,754	9,963	11,383	12,230	13,123	14,371
30	Federal	4,937	5,578	5,588	5,334	6,043	6,426	6,668	6,907
31	Provincial	1,874	2,092	2,410	2,644	3,120	3,331	3,714	4,396
32	Municipal	1,374	1,534	1,756	1,985	2,220	2,473	2,741	3,068

¹ For total government revenue and expenditure excluding inter-governmental transfers, see Tables 9 and 10.

² Defence expenditures included in these figures are as follows: 1955, \$1,760 million; 1956, \$1,802 million; 1957, \$1,765 million; 1958, \$1,661 million; 1959, \$1,559 million; 1960, \$1,546 million; 1961, \$1,613 million; 1962, \$1,680 million.

³ For the difference between this item and the conventional budgetary surplus or deficit, see reconciliation, Table 53.

TABLE 38. Direct Taxes — Persons, 1955-62

Line No.		1955	1956	1957	1958	1959	1960	1961	1962
millions of dollars									
	Federal:								
1	Income	1,269	1,461	1,652	1,509	1,692	1,917	2,050	1,994
2	Succession duties and estate taxes	55	88	69	70	76	97	80	93
3	Miscellaneous	1	1	2	2	2	3	2	1
4	Totals	1,325	1,550	1,723	1,581	1,770	2,017	2,132	2,088
	Provincial:								
5	Income	28	35	41	45	52	61	81	317
6	Motor vehicle licences and permits ¹	36	47	50	51	58	64	67	71
7	Succession duties	72	58	57	56	54	61	64	73
8	Hospital insurance premiums	9	7	10	24	113	113	120	115
9	Miscellaneous	14	18	18	19	20	21	22	24
10	Totals	159	165	176	195	297	320	354	600
	Municipal:								
11	Miscellaneous	15	17	18	19	21	23	25	26
12	Grand totals	1,499	1,732	1,917	1,795	2,088	2,360	2,511	2,714

¹ Personal share only. The business share is treated as an indirect tax.

TABLE 39. Direct Taxes – Corporations, 1955 - 62

Line No.		1955	1956	1957	1958	1959	1960	1961	1962
		millions of dollars							
	Federal:								
1	Income	1, 210	1, 334	1, 132	1, 075	1, 310	1, 284	1, 311	1, 328
	Provincial:								
2	Income ¹	51	63	184	218	253	251	277	388
3	Tax on mining and logging profits	11	16	21	22	18	27	24	34
4	Totals	62	79	205	240	271	278	301	422
5	Grand totals	1, 272	1, 413	1, 337	1, 315	1, 581	1, 562	1, 612	1, 750

¹ See footnote 2, Table 50.

TABLE 40. Indirect Taxes, 1955 - 62

Line No.		1955	1956	1957	1958	1959	1960	1961	1962
		millions of dollars							
	Federal:								
1	Banks and insurance companies	14	15	17	—	—	—	—	—
2	Customs import duties	452	545	523	478	520	515	515	636
3	Excise duties	242	267	287	313	332	345	358	379
4	Excise taxes	1, 028	1, 131	1, 150	1, 107	1, 255	1, 304	1, 302	1, 369
5	Miscellaneous	8	14	13	14	18	16	15	16
6	Totals	1, 744	1, 972	1, 990	1, 912	2, 125	2, 180	2, 190	2, 400
	Provincial:								
7	Amusement	21	21	21	22	22	23	24	24
8	Corporation tax (not on profits)	18	22	24	26	28	32	31	36
9	Gasoline	261	290	339	355	380	398	435	467
10	Licenses, fees, and permits	24	25	26	26	29	28	32	36
11	Motor vehicle licences and permits ¹	61	78	78	85	91	101	107	113
12	Miscellaneous taxes on natural resources	104	119	125	117	132	137	134	147
13	Real property	9	8	8	8	8	8	8	10
14	Retail sales tax (including liquor and tobacco)	158	191	204	204	230	238	323	527
15	Miscellaneous	83	92	112	117	123	126	150	156
16	Totals	739	846	937	960	1, 043	1, 091	1, 244	1, 516
	Municipal:								
17	Amusement	2	2	2	2	2	2	2	2
18	Licences, fees, and permits	26	27	29	30	33	35	34	34
19	Real property	682	765	861	939	1, 048	1, 159	1, 258	1, 360
20	Retail sales tax	44	52	53	59	74	82	69	52
21	Miscellaneous	82	95	105	126	139	157	173	188
22	Totals	836	941	1, 050	1, 156	1, 296	1, 435	1, 536	1, 636
23	Grand totals	3, 319	3, 759	3, 977	4, 028	4, 464	4, 706	4, 970	5, 552

¹ Business share only. The personal share is treated as a direct tax.

TABLE 41. Government Investment Income, 1955 - 62

Line No.		1955	1956	1957	1958	1959	1960	1961	1962
millions of dollars									
Federal:									
1	Interest on government-held public funds	68	77	86	101	104	106	114	121
2	Interest on loans, advances and investments	60	55	63	102	128	148	151	155
3	Profits (net of losses) of government business enterprises	139	164	127	124	118	130	144	172
4	Totals	267	296	276	327	350	384	409	448
Provincial:									
5	Interest on government-held public funds	38	41	47	54	60	67	74	81
6	Interest on loans, advances and investments	43	53	60	66	77	89	87	95
7	Profits (net of losses) of government business enterprises	228	252	260	270	276	269	294	302
8	Totals	309	346	367	390	413	425	455	478
Municipal:									
9	Interest on government-held public funds	8	9	9	10	12	14	17	19
10	Interest on loans, advances and investments	21	23	28	30	34	39	44	48
11	Profits (net of losses) of government business enterprises	148	160	169	180	189	191	205	218
12	Totals	177	192	206	220	235	244	266	285
13	Grand totals	753	834	849	937	998	1,053	1,130	1,211

TABLE 42. Employer and Employee Contributions to Social Insurance and Government Pension Funds, 1955 - 62

Line No.		1955	1956	1957	1958	1959	1960	1961	1962
millions of dollars									
Federal:									
1	Public service pensions	159	173	193	206	210	204	233	233
2	Unemployment insurance	165	184	191	185	204	278	277	285
3	Totals	324	357	384	391	414	482	510	518
Provincial:									
4	Public service pensions	49	54	66	78	90	104	116	128
5	Workmen's compensation	77	90	106	104	105	114	117	121
6	Industrial employee's vacations	14	18	20	20	21	21	18	20
7	Totals	140	162	192	202	216	239	251	269
Municipal:									
8	Public service pensions	12	13	14	22	22	24	26	29
9	Grand totals	476	532	590	615	652	745	787	816

TABLE 43. Government Expenditure on Goods and Services, 1955-62

Line No.		1955	1956	1957	1958	1959	1960	1961	1962
millions of dollars									
Federal:									
1	Wages, salaries, and supplementary labour income	664	736	810	870	894	938	1,007	1,039
2	Military pay and allowances	394	424	476	491	496	509	550	586
3	Other purchases of goods and services	1,452	1,523	1,442	1,493	1,442	1,278	1,417	1,383
4	Totals¹	2,510	2,683	2,728	2,854	2,832	2,725	2,974	3,008
Provincial:									
5	Wages, salaries, and supplementary labour income	350	390	437	501	557	615	661	706
6	Other purchases of goods and services	496	651	691	721	792	841	794	900
7	Totals¹	846	1,041	1,128	1,222	1,349	1,456	1,455	1,606
Municipal:									
8	Wages, salaries, and supplementary labour income	668	745	841	962	1,080	1,208	1,358	1,521
9	Other purchases of goods and services	768	917	1,025	1,142	1,229	1,366	1,418	1,586
10	Totals¹	1,436	1,662	1,866	2,104	2,309	2,574	2,776	3,107
11	Grand totals	4,792	5,386	5,722	6,180	6,490	6,753	7,205	7,721

¹ Includes fixed capital formation by governments. The major portion of this fixed capital formation is in "other purchases of goods and services". A small portion of the total fixed capital formation is also in the line called "wages, salaries, and supplementary labour income" for work done by the governments' own work force. Fixed capital formation by levels of government is shown below:

	1955	1956	1957	1958	1959	1960	1961	1962
millions of dollars								
Federal	297	379	365	360	407	372	383	365
Provincial	351	460	535	518	568	612	547	690
Municipal	386	421	482	511	548	586	607	729
Totals	1,034	1,260	1,382	1,389	1,523	1,570	1,537	1,784

TABLE 44. Government Transfer Payments Including Interest, 1955-62

Line No.		1955	1956	1957	1958	1959	1960	1961	1962
millions of dollars									
Federal:									
1	Family allowances	378	394	423	470	487	502	517	529
2	Re-establishment credits	4	3	2	2	2	3	2	1
3	Rehabilitation benefits	2	1	1	1	1	1	1	1
4	Pensions World Wars I and II ¹	119	119	128	137	137	136	158	162
5	War veterans' allowances	39	44	49	59	62	64	76	87
6	Unemployment insurance benefits	229	210	305	492	406	482	494	409
7	Prairie farm assistance act	33	5	2	21	21	25	35	30
8	Pensions to government employees	38	42	46	50	56	62	67	72
9	Interest on the public debt	494	524	519	544	678	756	783	855
10	Old age security fund payments	363	376	433	555	571	587	603	721
11	Payments to western grain producers	27	30	28	39	2	40	16	40
12	Grants to universities ²				30	2	29		19
13	Assistance to immigrants				14		2		1
14	Miscellaneous				32		44		50
15	Totals	1,726	1,748	1,982	2,443	2,469	2,735	2,798	2,977
Provincial:									
16	Direct relief	17	20	18	14	17	25	32	35
17	Workmen's compensation benefits	62	70	76	80	85	92	94	97
18	Old age and blind pensions	57	60	64	79	80	80	82	101
19	Mothers' and disabled persons allowances	33	37	48	68	73	72	73	83
20	Pensions to government employees	23	25	28	31	35	42	45	48
21	Grants to private non-commercial institutions	248	264	290	365	567	711	924	1,000
22	Interest on the public debt	97	105	114	119	126	153	163	177
23	Miscellaneous	23	24	40	40	38	51	49	57
24	Totals	560	605	678	796	1,021	1,226	1,462	1,598
Municipal:									
25	Direct relief	18	19	23	33	44	53	70	84
26	Pensions to government employees	7	7	6	10	7	8	9	10
27	Grants to private non-commercial institutions	17	16	20	18	18	16	15	15
28	Interest on the public debt	78	85	106	119	159	187	218	242
29	Totals	120	127	155	180	228	264	312	351
30	Grand totals	2,406	2,480	2,815	3,419	3,718	4,225	4,572	4,926

¹ Excludes pensions paid to non-residents, which are treated as government expenditure on goods and services. The amounts in the terminal years 1955 and 1962 were \$12 million and \$15 million, respectively.

² These consist only of grants made on a per capita basis.

TABLE 45. Subsidies, 1955-62

Line No.		1955	1956	1957	1958	1959	1960	1961	1962
		millions of dollars							
	Federal:								
	Agricultural:								
1	Freight assistance on western feed grains	16	17	17	19	22	20	18	14
2	Hog premiums	6	6	6	6	8	7	7	7
3	Agricultural commodities stabilization board loss	6	5	6	15	58	53	22	72
4	Assistance re storage costs on grain	—	44	32	37	42	47	46	44
5	Miscellaneous	2	1	2	3	—	2	2	1
6	Sub-totals	30	73	63	80	130	129	95	138
	Other subsidies:								
7	Emergency gold mines assistance	11	9	9	10	13	12	12	14
8	Maritime Freight Rates Act	11	12	12	15	14	14	13	13
9	Movement of coal	11	9	9	9	13	17	17	18
10	Miscellaneous	12	15	15	17	19	38	84	77
11	Sub-totals	45	45	45	51	59	81	126	122
12	Total federal subsidies	75	118	108	131	189	210	221	260
13	Total provincial subsidies	7	5	8	15	16	26	33	31
14	Grand totals	82	123	116	146	205	236	254	291

TABLE 46. Transfers to Other Levels of Government, 1955-62

Line No.		1955	1956	1957	1958	1959	1960	1961	1962
	Federal:								
	To provinces:								
1	Old age and blind pensions	21	24	24	34	35	35	35	40
2	Disabled persons allowances	4	7	9	15	16	16	16	19
3	Statutory grants	20	20	21	21	21	21	21	25
4	Taxation agreements ¹	329	359	362	421	464	507	510	304
5	Health grants	34	34	33	39	52	47	52	50
6	Trans-Canada highway	20	17	38	55	50	51	42	35
7	Government contribution under the Hospital Insurance and Diagnostic Services Act	—	—	—	17	130	171	265	317
8	Unemployment assistance	—	4	6	18	31	48	80	95
9	Technical and vocational training	4	5	4	6	9	8	10	145
10	Other	11	6	8	14	48	58	64	64
11	Sub-totals	443	476	505	640	856	962	1,095	1,094
	To municipalities:								
12	Payments to municipalities	7	9	16	23	24	32	33	42
13	Totals	450	485	521	663	880	994	1,128	1,136
	Provincial:								
14	To municipalities	327	362	452	545	622	715	855	1,050
	Municipal:								
15	To provinces	22	18	28	17	24	16	14	17
16	Grand totals	799	865	1,001	1,225	1,526	1,725	1,997	2,203

¹ These data are after deduction of refunds to the federal government by the provinces on account of Succession duty credits pursuant to the Tax Rental Agreements Act. These amounted to \$4 million in 1958, \$12 million in 1959, \$3 million in 1960, \$3 million in 1961, and \$2 million in 1962.

SECTION E
MISCELLANEOUS TABLES

TABLE 47. Personal Expenditure on Consumer Goods and Services, 1955-62

Line No.		1955	1956	1957	1958	1959	1960	1961	1962
millions of dollars									
1	Food	4,236	4,571	4,951	5,236	5,465	5,701	5,796	5,985
2	Tobacco and alcoholic beverages	1,181	1,278	1,370	1,441	1,552	1,601	1,640	1,729
3	Tobacco products and smokers' accessories	480	527	570	616	683	702	719	756
4	Alcoholic beverages	701	751	800	825	869	899	921	973
5	Clothing and personal furnishings	1,900	2,037	2,098	2,179	2,267	2,355	2,409	2,501
6	Men's and boys' clothing	430	463	470	482	500	521	532	560
7	Women's and children's clothing	808	871	898	933	967	998	1,016	1,048
8	Footwear	231	242	252	269	284	307	307	316
9	Laundry and dry cleaning	142	156	166	172	180	182	194	211
10	Other	289	305	312	323	336	347	360	366
11	Shelter¹	2,454	2,621	2,906	3,154	3,442	3,636	3,811	3,993
12	Gross rents paid by tenants	694	729	797	854	925	980	1,028	1,079
13	Expenses (taxes, insurance, etc.) paid by owner-occupants	788	911	1,038	1,159	1,270	1,375	1,504	1,638
14	Net imputed residential rent and imputed residential capital consumption allowances	770	760	839	903	999	1,033	1,035	1,023
15	Other	202	221	232	238	248	248	244	253
16	Household operation	2,272	2,509	2,593	2,701	2,873	2,918	3,031	3,187
17	Fuel	358	415	425	423	441	431	430	440
18	Electricity	212	235	257	279	306	326	347	354
19	Gas	47	52	60	72	93	108	123	137
20	Telephone	188	221	241	257	285	307	330	353
21	Furniture	284	315	307	310	324	308	310	322
22	Home furnishings	224	245	251	259	274	274	284	298
23	Appliances, radios and television sets	460	491	489	494	512	489	502	506
24	Other	499	535	563	607	638	675	705	777
25	Transportation	2,023	2,211	2,346	2,511	2,723	2,806	2,847	3,074
26	Street-car, railway and other fares	317	338	368	377	402	414	418	434
27	New automobiles, used automobiles (net) and house trailers	1,018	1,090	1,092	1,130	1,233	1,257	1,263	1,439
28	Automotive operating expenses	688	783	886	1,004	1,088	1,135	1,166	1,201
29	Personal and medical care and death expenses ..	1,166	1,316	1,437	1,611	1,769	1,924	2,068	2,229
30	Medical and dental care	240	280	306	346	370	395	415	436
31	Hospital care, private duty nursing, accident and sickness insurance, prepaid medical care	440	490	546	626	719	818	925	1,040
32	Other	486	546	585	639	680	711	728	753
33	Miscellaneous	2,157	2,290	2,371	2,412	2,500	2,571	2,884	3,051
34	Motion picture theatres ²	86	81	77	75	68	66	62	60
35	Newspapers and magazines	182	184	196	212	220	227	237	249
36	Net expenditure abroad	156	204	204	236	255	253	211	96
37	Other	1,733	1,821	1,894	1,889	1,957	2,025	2,374	2,646
38	Grand totals	17,389	18,833	20,072	21,245	22,591	23,512	24,486	25,749
39	Durable goods	2,245	2,431	2,430	2,499	2,678	2,669	2,697	2,913
40	Major durable goods ³	1,986	2,142	2,139	2,194	2,344	2,328	2,360	2,565
41	Miscellaneous durable goods ⁴	259	289	291	305	334	341	337	348
42	Non-durable goods⁵	9,065	9,736	10,402	10,878	11,373	11,785	12,257	12,877
43	Services^{5,6}	6,079	6,666	7,240	7,868	8,540	9,058	9,532	9,959

¹ Excludes transients' shelter.² Excludes amusement taxes.³ Includes house trailers, new automobiles, net expenditure on used automobiles, home furnishings, furniture and appliances, radios and television sets.⁴ Includes jewellery, watches, clocks, silverware, toys, sporting and wheeled goods, and tools and garden equipment.⁵ Beginning with the year 1955, the classification of the items electricity and gas (items 18 and 19 above) was changed from services to non-durable goods.⁶ Includes net expenditure abroad.

**TABLE 48. Personal Expenditure on Consumer Goods and Services in Constant (1957) Dollars
1955 - 62^{1, 2}**

Line No.		1955	1956	1957	1958	1959	1960	1961	1962
1	Food	4,485	4,767	4,951	5,062	5,314	5,523	5,562	5,635
2	Tobacco and alcoholic beverages	1,201	1,297	1,370	1,428	1,485	1,509	1,534	1,596
3	Clothing and personal furnishings	1,925	2,047	2,098	2,150	2,229	2,291	2,310	2,371
4	Shelter	2,621	2,725	2,906	3,073	3,281	3,410	3,525	3,653
5	Household operation ^{3, 4}	2,309	2,547	2,593	2,670	2,808	2,849	2,974	3,103
6	Transportation	2,212	2,347	2,346	2,470	2,616	2,684	2,751	2,976
7	Personal and medical care and death expenses	1,268	1,390	1,437	1,549	1,650	1,759	1,875	1,973
8	Miscellaneous	2,306	2,358	2,371	2,305	2,328	2,332	2,539	2,608
9	Adjusting entry	-23	—	—	—	—	—	—	—
10	Grand totals	18,304	19,478	20,072	20,707	21,711	22,357	23,070	23,915
11	Durable goods	2,368	2,531	2,430	2,464	2,592	2,587	2,668	2,888
12	Non-durable goods ^{3, 4}	9,404	9,996	10,402	10,642	11,091	11,435	11,802	12,249
13	Services ^{3, 4, 5}	6,537	6,951	7,240	7,601	8,028	8,335	8,600	8,778
14	Adjusting entry	-5	—	—	—	—	—	—	—

¹ These data are given on a 1949 time base in Table 58 in order to provide continuity with Table 48 in *National Accounts, Income and Expenditure, 1926-1956*.

² Annual data for the period from 1947 to 1954, on a 1957 time base, are available on request.

³ Personal expenditure on electricity and gas in constant (1957) dollars were as follows:

1955	1956	1957	1958	1959	1960	1961	1962
millions of dollars							
255	286	317	349	395	424	457	480

⁴ See footnote 5, Table 47.

⁵ Includes net expenditure abroad.

TABLE 49. Imputed Items Included in Gross National Expenditure, 1955 - 62¹

Line No.		1955	1956	1957	1958	1959	1960	1961	1962
millions of dollars									
	Expenditure on consumer goods and services:								
	Food:								
1	Farm consumed farm produce	179	170	168	173	171	173	160	156
2	Other ²	95	103	107	101	102	104	101	108
	Shelter:								
3	Imputed net residential rent and imputed residential capital consumption allowances	770	760	839	903	999	1,033	1,035	1,023
4	Imputed lodging, non-residential ³	29	33	38	37	37	37	37	39
5	Other ⁴	153	159	178	185	206	224	232	249
6	Total of imputed items in consumer expenditure	1,226	1,225	1,330	1,399	1,515	1,571	1,565	1,575
	Government expenditure on goods and services:								
7	Imputed gross rent on government-owned buildings	168	181	194	207	220	235	250	263
8	Total of imputed items	1,394	1,406	1,524	1,606	1,735	1,806	1,815	1,838

¹ All these items are also included in the various components of Gross National Product.

² Includes food issued to members of the armed forces and to employees in lieu of wages.

³ Lodging in bunk houses, ships, hotels, etc., furnished to employees in lieu of wages.

⁴ Includes clothing issued to the armed forces, wood fuel cut and used on farms, and estimated services rendered by banks without specific charge.

TABLE 50. Analysis of Corporation Profits, 1955 - 62

Line No.		1955	1956	1957	1958	1959	1960	1961	1962
millions of dollars									
1	Corporation profits before taxes and before dividends paid to non-residents	2,965	3,345	3,056	3,075	3,504	3,359	3,460	3,824
2	Deduct: Corporation income tax liabilities ^{1,2}	-1,272	-1,413	-1,337	-1,315	-1,581	-1,562	-1,612	-1,750
3	Federal excess of tax liabilities over collections	173	51	-202	-11	143	-80	44	34
4	Provincial excess of tax liabilities over collections	-	-	-	1	13	-24	17	61
5	Federal tax collections ³	1,037	1,283	1,334	1,086	1,167	1,364	1,267	1,294
6	Provincial tax collections	62	79	205	239	258	302	284	361
7	Corporation profits after taxes	1,693	1,932	1,719	1,760	1,923	1,797	1,848	2,074
8	Deduct: Dividends paid to non-residents	-395	-437	-475	-470	-501	-454	-587	-570
9	Corporation profits retained in Canada ..	1,298	1,495	1,244	1,290	1,422	1,343	1,261	1,504
10	Deduct: Dividends paid to Canadian persons	-307	-330	-354	-376	-393	-430	-439	-480
11	Charitable contributions from corporations	- 29	- 34	- 36	- 38	- 43	- 40	- 44	- 45
12	Undistributed corporation profits	962	1,131	854	876	986	873	778	979

¹ Includes elective tax on undistributed income of \$6 million in 1955, \$7 million in 1956 and \$6 million for each of the years 1957 to 1962, inclusive.

² For the years prior to 1958, provincial corporation income taxes shown throughout this publication are on a collections basis; from 1958 on they are on a liabilities basis.

³ In previous publications this item included taxes collected from the proprietary corporations of the federal government which became taxable in 1952. This series is now adjusted to exclude these taxes.

TABLE 51. Capital Consumption Allowances and Miscellaneous Valuation Adjustments by "Form of Organization", 1955 - 62

Line No.		1955	1956	1957	1958	1959	1960	1961	1962
millions of dollars									
1	Corporations	1,733	1,976	2,242	2,091	2,303	2,470	2,451	2,573
2	Individuals and unincorporated business	1,281	1,366	1,431	1,457	1,507	1,565	1,630	1,689
3	Government business enterprises	252	300	336	351	394	424	458	493
4	Capital consumption allowances and miscellaneous valuation adjustments ¹	3,266	3,642	4,009	3,899	4,204	4,459	4,539	4,755

¹ Including net bad debt allowances (charges less recoveries) as follows:

1955	1956	1957	1958	1959	1960	1961	1962
millions of dollars							
40	41	43	46	50	52	54	55

SECTION F

RECONCILIATION STATEMENTS

TABLE 52. Accrued Net Income of Farm Operators from Farm Production, 1955-62
Reconciliation Statement

Line No.		1955	1956	1957	1958	1959	1960	1961	1962
millions of dollars									
1	Net income of farm operators from farming operations ¹	1, 290	1, 458	1, 058	1, 338	1, 199	1, 340	1, 044	1, 552
2	Deduct: Amounts included in investment income ²	-45	-46	-47	-51	-51	-52	-55	-55
3	Deduct: Transfer payments ³	-33	- 5	- 2	-60	-22	-77	-36	-70
4	Other adjustments ⁴	-12	23	17	-26	-	-33	- 4	-25
5	Equals: Net income received by farm operators from farm production	1, 200	1, 430	1, 026	1, 201	1, 126	1, 178	949	1, 402
6	Adjustment on grain transactions ⁵	64	20	-	-1	-5	6	26	-11
7	Accrued net income of farm operators from farm production⁶	1, 264	1, 450	1, 026	1, 200	1, 121	1, 184	975	1, 391

¹ These figures are published by the Agriculture Division, Dominion Bureau of Statistics.

² Includes corporation profits in agriculture and imputed net rent of owner-occupied houses.

³ These items are deducted since transfer payments are excluded from Net National Income at factor cost. Includes payments made under the provisions of the Prairie Farm Assistance Act, Western Grain Producers' Acreage Payment Plan, Federal-Provincial Emergency Unthreshed Grain Assistance Act, and payments to P.E.I. potato growers for losses to the 1960 potato crop.

⁴ These adjustments consist of an estimate of net income of farm operators from farming operations in Newfoundland and an adjustment for the difference in the valuation of the physical change in inventories. The Agriculture Division values the change in the quantity of farm held grain at average annual prices, whereas the National Accounts estimates value this quantity change each quarter in terms of average quarterly prices. In addition, revisions have been made which have not yet been incorporated by the Agriculture Division.

⁵ Since the National Income measures earnings arising out of current production rather than receipts of income, it is appropriate to include in Table 1 income accruing to farm operators from farm production rather than income received. Accordingly, an adjustment has been made to take account of the accrued earnings of farm operators arising out of the operations of the Canadian Wheat Board.

⁶ See also line 6, Table 1.

TABLE 53. Federal Government Surplus or Deficit, 1955-62
Reconciliation of Federal Government Transactions Related to the National Accounts with
Public Accounts Data, 1955-62

Line No.		1955	1956	1957	1958	1959	1960	1961	1962
millions of dollars									
Revenue									
1	Total budgetary revenue as per Public Accounts, for fiscal years ended March 31, 1955 to 1962 ¹	4, 123	4, 400	5, 107	5, 049	4, 755	5, 290	5, 618	5, 730
2	Adjustment of budgetary revenue from fiscal to a calendar year basis	113	553	116	-303	425	286	85	151
3	Non-relevant budgetary items omitted	- 21	- 37	- 68	- 22	- 21	- 26	- 22	- 23
4	Budgetary revenue items offset against expenditure per contra	- 74	- 64	- 68	- 84	- 96	-100	- 94	-103
5	Budgetary expenditure items offset against revenue per contra	-160	-141	-155	-189	-231	-236	-268	-284
Extra-budgetary receipts - pension and social insurance funds:									
6	Old age security fund taxes	302	349	383	371	490	609	624	681
7	Employer and employee contributions to social insurance and government pension funds	324	357	384	391	414	482	510	518
8	Interest receipts of social insurance and government pension funds	69	77	86	101	104	106	114	121
9	Prairie Farm Assistance Act levy	5	7	6	6	7	6	7	8
10	Excess of corporation tax accruals over collections	173	51	-202	-11	143	-80	44	34
11	Other adjustments	83	26	- 1	25	53	89	50	74
12	Total revenue as per National Accounts	4, 937	5, 578	5, 588	5, 334	6, 043	6, 426	6, 668	6, 907
Expenditure									
13	Total budgetary expenditure as per Public Accounts, for fiscal years ended March 31, 1955 to 1962 ¹	4, 275	4, 433	4, 849	5, 087	5, 364	5, 703	5, 958	6, 521
14	Adjustment of budgetary expenditure from fiscal to a calendar year basis	102	248	189	106	391	211	332	- 7
15	Non-relevant budgetary items omitted	-115	-135	-258	-228	-248	- 60	- 50	- 79
16	Budgetary revenue items offset against expenditure per contra	- 74	- 64	- 68	- 84	- 96	-100	- 94	-103
17	Budgetary expenditure items offset against revenue per contra	-160	-141	-155	-189	-231	-236	-268	-284
18	Transfers to extra-budgetary funds	- 33	- 45	- 38	- 43	- 58	- 68	- 65	-105
Extra-budgetary expenditures - pension and social insurance funds:									
19	Old age security payments	363	376	433	555	571	588	603	721
20	Unemployment insurance benefits	229	210	305	492	406	482	494	409
21	Pensions to government employees	38	42	46	50	56	62	67	72
22	Prairie Farm Assistance Act payments	33	5	2	21	20	25	35	30
23	Transfers to various Crown agencies and funds	- 98	- 82	-171	-150	-177	-232	-233	-151
24	Expenditures by various Crown agencies and funds	137	128	139	344	248	218	197	228
25	Amortization of special contributions to government pension funds	25	25	35	39	37	37	31	20
26	Other adjustments	39	34	31	91	87	34	114	109
27	Total expenditure as per National Accounts	4, 761	5, 034	5, 339	6, 091	6, 370	6, 664	7, 121	7, 381
Surplus or deficit									
28	Budgetary surplus or deficit as per Public Accounts ¹ (line 1 minus line 13)....	-152	- 33	258	- 38	-609	-413	-340	-791
29	Difference of total adjustments to revenue and expenditure items above	328	577	-9	-719	282	175	-113	317
30	Surplus or deficit as per National Accounts (line 12 minus line 27)	176	544	249	-757	-327	-238	-453	-474

¹ Public Accounts of the Government of Canada.

TABLE 54. Business Gross Fixed Capital Formation, 1955-62
Reconciliation Statement

Line No.		1955	1956	1957	1958	1959	1960	1961	1962
millions of dollars									
1	Total private and public investment in Canada¹....	6,244	8,034	8,717	8,364	8,417	8,262	8,172	8,738
2	Deduct: New residential construction by governments ^{2,3}	- 19	-21	-21	-19	-18	-13	-9	-10
3	New non-residential construction by governments ³	-924	-1,137	-1,251	-1,237	-1,368	-1,420	-1,368	-1,587
4	New machinery and equipment outlays by governments ³	- 91	-102	-110	-133	-137	-137	-160	-187
5	Business gross fixed capital formation	5,210	6,774	7,335	6,975	6,894	6,692	6,635	6,954

¹ As presented in the publication *Private and Public Investment in Canada, 1946-1957* and subsequent annual reports.

² Excluding residential construction under Veterans' Land Act, construction of veterans' rental housing by Central Mortgage and Housing Corporation and joint federal-provincial housing (Section 36, National Housing Act), which are included in line 5.

³ Included in "government fixed capital formation", line 4, Table 2.

TABLE 55. Exports and Imports of Goods and Services, 1955-62¹
Reconciliation Statement

Line No.		1955	1956	1957	1958	1959	1960	1961	1962
millions of dollars									
Exports of goods and services:									
1	Merchandise exports	4,332	4,837	4,894	4,887	5,150	5,392	5,889	6,364
2	Gold production available for export	155	150	147	160	148	162	162	165
3	Interest and dividends received from non-residents	160	142	154	168	182	173	209	211
4	Other receipts from services rendered to non-residents	1,425	1,492	1,427	1,364	1,375	1,426	1,509	1,649
5	Sub-total: "Current receipts" as per <i>Canadian Balance of International Payments</i>	6,072	6,621	6,622	6,579	6,855	7,153	7,769	8,389
6	Adjustments—Mutual aid to NATO countries	-222	-157	-107	-142	- 63	- 43	- 35	- 41
7	Inheritances and immigrants' funds	- 86	- 99	-124	- 97	-109	-102	-103	-124
8	Total "exports of goods and services" as per National Accounts²	5,764	6,365	6,391	6,340	6,683	7,008	7,631	8,224
Imports of goods and services:									
9	Merchandise imports	4,543	5,565	5,488	5,066	5,572	5,540	5,716	6,209
10	Interest and dividends paid to non-residents.....	483	523	589	612	671	653	770	781
11	Other payments for services rendered by non-residents	1,744	1,899	2,000	2,032	2,116	2,203	2,265	2,247
12	Sub-total: "Current payments" as per <i>Canadian Balance of International Payments</i>	6,770	7,987	8,077	7,710	8,359	8,396	8,751	9,237
13	Adjustments—Mutual aid to NATO countries	-222	-157	-107	-142	- 63	- 43	- 35	- 41
14	Inheritances and emigrants' funds	-105	-115	-157	-145	-165	-181	-174	-163
15	Total "imports of goods and services" as per National Accounts²	6,443	7,715	7,813	7,423	8,131	8,172	8,542	9,033

¹ Data sources are mainly reports on the *Canadian Balance of International Payments* (National Accounts and Balance of Payments Division, Dominion Bureau of Statistics). Figures include mutual aid to NATO countries.

² See also Table 2.

TABLE 56. Gross National Expenditure in Constant (1949) Dollars, 1955-62¹

Line No.		1955	1956	1957	1958	1959	1960	1961	1962
millions of dollars									
1	Personal expenditure on consumer goods and services	14,662	15,603	16,083	16,585	17,392	17,908	18,480	19,157
2	Government expenditure on goods and services	3,583	3,794	3,833	4,093	4,155	4,188	4,383	4,528
3	Current expenditure	2,767	2,869	2,867	3,044	3,055	3,059	3,222	3,255
4	Gross fixed capital formation	796	925	968	1,056	1,109	1,141	1,169	1,285
5	Adjusting entry	—	—	-2	-7	-9	-12	-8	-12
6	Business gross fixed capital formation	3,962	4,891	5,115	4,761	4,575	4,345	4,270	4,365
7	New residential construction	1,040	1,110	998	1,219	1,157	937	941	989
8	New non-residential construction	1,365	1,816	2,112	1,884	1,683	1,637	1,698	1,654
9	New machinery and equipment	1,557	1,965	1,995	1,650	1,735	1,770	1,626	1,717
10	Adjusting entry	—	—	10	8	—	1	5	5
11	Change in inventories	419	955	210	-286	308	314	-130	500
12	Non-farm business inventories	134	648	246	-158	334	219	220	290
13	Farm inventories and grain in commercial channels	285	307	-89	-141	-91	89	-497	228
14	Adjusting entry	—	—	53	13	65	6	147	-18
15	Exports of goods and services	4,969	5,340	5,389	5,368	5,574	5,806	6,240	6,517
16	Deduct: Imports of goods and services	-5,742	-6,662	-6,571	-6,150	-6,776	-6,743	-6,823	-6,911
17	Residual error of estimate	87	-110	-22	-74	22	69	106	153
18	Adjusting entry	—	—	80	100	-8	-82	-58	-198
19	Gross National Expenditure in constant (1949) dollars	21,920	23,811	24,117	24,397	25,242	25,805	26,468	28,111
20	Index, line 19, 1949 = 100	134.1	145.7	147.6	149.3	154.4	157.9	162.0	172.0

¹ The price indexes from 1957 to 1962, shown in Table 6, were converted to a 1949 base using 1956 as the year of overlap between old and new series. They were then divided into the current dollar figures of Table 2, to give the constant (1949) dollar series shown above. This procedure was followed in the case of Gross National Expenditure, line 19, as well as the major components. It may be noted that this procedure yields year-to-year movements in the constant dollar series which are identical with those shown in Table 5. However, a small residual difference, produced by the change in the major group weighting pattern, is entered to make the components add up to the Gross National Expenditure in constant (1949) dollars as determined in this way.

TABLE 57. Implicit Price Indexes — Gross National Expenditure, 1955-62¹
(1949 = 100.0)

Line No.		1955	1956	1957	1958	1959	1960	1961	1962
1	Personal expenditure on consumer goods and services	118.6	120.7	124.8	128.1	129.9	131.3	132.5	134.4
2	Government expenditure on goods and services	134.5	142.0	149.3	151.0	156.2	161.3	164.4	170.5
3	Current expenditure	135.8	143.8	151.4	157.4	162.6	169.5	175.9	182.4
4	Gross fixed capital formation	129.9	136.2	142.8	131.5	137.3	137.6	131.5	138.8
5	Business gross fixed capital formation	131.5	138.5	143.4	146.5	150.7	154.0	155.4	159.3
6	New residential construction	132.5	137.5	141.2	144.6	149.9	154.0	155.0	159.4
7	New non-residential construction	135.4	142.6	146.9	149.2	153.8	157.4	158.0	161.3
8	New machinery and equipment	127.4	135.3	141.5	145.5	148.2	151.0	153.4	157.8
9	Exports of goods and services	116.0	119.2	118.6	118.1	119.9	120.7	122.3	126.2
10	Imports of goods and services	112.2	115.8	118.9	120.7	120.0	121.2	125.2	130.7
11	Residual error of estimate	124.7	129.1	133.1	135.6	139.1	141.3	142.1	144.7
12	Gross National Expenditure at market prices	123.8	128.5	132.3	134.8	138.3	140.5	141.4	143.7

¹ These implicit indexes are currently weighted price indexes. They reflect not only pure price changes, but also changing expenditure patterns within and between major groups. The implicit price index for Gross National Expenditure is derived by dividing the total of current dollars by the total of constant dollars.

TABLE 58. Personal Expenditure on Consumer Goods and Services in Constant (1949) Dollars, 1955-62¹

Line No.		1955	1956	1957	1958	1959	1960	1961	1962
		millions of dollars							
1	Food	3,785	4,023	4,178	4,272	4,485	4,661	4,694	4,756
2	Tobacco and alcoholic beverages	1,109	1,198	1,265	1,319	1,372	1,394	1,417	1,474
3	Clothing and personal furnishings	1,744	1,855	1,901	1,948	2,020	2,076	2,093	2,149
4	Shelter	1,645	1,710	1,824	1,928	2,059	2,140	2,212	2,292
5	Household operation ^{2,3}	1,966	2,169	2,208	2,274	2,391	2,426	2,533	2,642
6	Transportation	1,817	1,928	1,927	2,029	2,149	2,205	2,260	2,445
7	Personal and medical care and death expenses	883	968	1,001	1,079	1,149	1,225	1,306	1,374
8	Miscellaneous	1,713	1,752	1,762	1,713	1,730	1,733	1,886	1,938
9	Adjusting entry	—	—	17	23	37	48	79	87
10	Grand totals	14,662	15,603	16,083	16,585	17,392	17,908	18,480	19,157
11	Durable goods	2,066	2,209	2,121	2,151	2,262	2,258	2,329	2,521
12	Non-durable goods ^{2,3}	8,187	8,705	9,059	9,268	9,659	9,958	10,278	10,667
13	Services ^{2,3,4}	4,409	4,689	4,884	5,127	5,416	5,623	5,801	5,921
14	Adjusting entry	—	—	19	39	55	69	72	48

¹ See footnote 1, Table 56.² Personal expenditure on electricity and gas in constant (1949) dollars were as follows:

1955	1956	1957	1958	1959	1960	1961	1962
millions of dollars							
224	251	278	306	347	372	401	421

³ See footnote 5, Table 47.⁴ Includes net expenditure abroad.

APPENDIX

TABLE 1. Population of Canada, by Provinces, 1955-62

Estimated as of June 1

Line No.		1955	1956	1957	1958	1959	1960	1961	1962
		thousands							
1	Newfoundland	406	415	424	432	441	448	458	470
2	Prince Edward Island	100	99	99	100	101	103	105	106
3	Nova Scotia	683	695	701	709	719	727	737	746
4	New Brunswick	547	555	562	571	582	589	598	607
5	Quebec	4,517	4,628	4,769	4,904	5,024	5,142	5,259	5,366
6	Ontario	5,266	5,405	5,636	5,821	5,969	6,111	6,236	6,342
7	Manitoba	839	850	862	875	891	906	922	935
8	Saskatchewan	878	881	880	891	907	915	925	930
9	Alberta	1,091	1,123	1,164	1,206	1,248	1,291	1,332	1,370
10	British Columbia	1,342	1,399	1,482	1,538	1,567	1,602	1,629	1,659
11	Yukon	11	12	12	13	13	14	14	15
12	Northwest Territories	18	19	19	20	21	22	23	24
13	Canada	15,698	16,081	16,610	17,080	17,483	17,870	18,238	18,570

TABLE 11. The Civilian Labour Force, 1955-62¹

Line No.		1955	1956	1957	1958	1959	1960	1961	1962
		thousands							
1	Civilian non-institutional population, 14 years of age and over	10,597	10,805	11,108	11,357	11,562	11,789	12,010	12,224
	Civilian labour force:								
	Employed:								
2	Non-agricultural	4,546	4,809	4,981	4,983	5,163	5,280	5,375	5,564
3	Agricultural	819	776	744	712	692	675	674	653
4	Total employed	5,364	5,585	5,725	5,695	5,855	5,955	6,049	6,217
5	Unemployed	245	197	278	432	373	448	469	391
6	Total civilian labour force ²	5,610	5,782	6,003	6,127	6,228	6,403	6,518	6,608

¹ Incorporates new definitions of "Employed" and "Unemployed". For earlier years see *The Labour Force*, Catalogue No. 71-001, (Special Surveys Division, Dominion Bureau of Statistics).

² The number of persons in the regular Armed Forces not included in these totals is as follows: 1955-117,000 persons; 1956-117,000 persons; 1957-118,000 persons; 1958-120,000 persons; 1959-120,000 persons; 1960-119,000 persons; 1961-121,000 persons; 1962-126,000 persons. The figures are monthly averages.

CATALOGUE No.

13-201

ANNUAL



CANADA

NATIONAL ACCOUNTS INCOME AND EXPENDITURE

1963



DOMINION BUREAU OF STATISTICS

National Accounts and Balance of
Payments Division



DOMINION BUREAU OF STATISTICS

National Accounts and Balance of
Payments Division

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1963

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National Accounts, Income and Expenditure, 1962 for the years 1955-58.

Revisions to primary source data for the years 1960, 1961 and 1962 have been incorporated into this publication.

June 1964.



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INTRODUCTORY REVIEW

The Year 1963—Annual Review

Gross National Product during 1963 experienced continuous growth, registering an increase of just over 6½ per cent in value from the previous year; at a level of \$43.0 billion the additional value of output over 1962 amounted to \$2.7 billion. With overall prices for the year increasing by less than 2 per cent, more than two-thirds of the value increase in 1963 represented a gain in real output. The year ended on a particularly strong note with a 3 per cent increase in the final quarter representing one of the sharpest gains since the beginning of the present expansion in early 1961. In line with the strength exhibited towards the close of the year the increase between the fourth quarter 1962 and 1963 was over 7 per cent, somewhat greater than that registered by the annual averages.

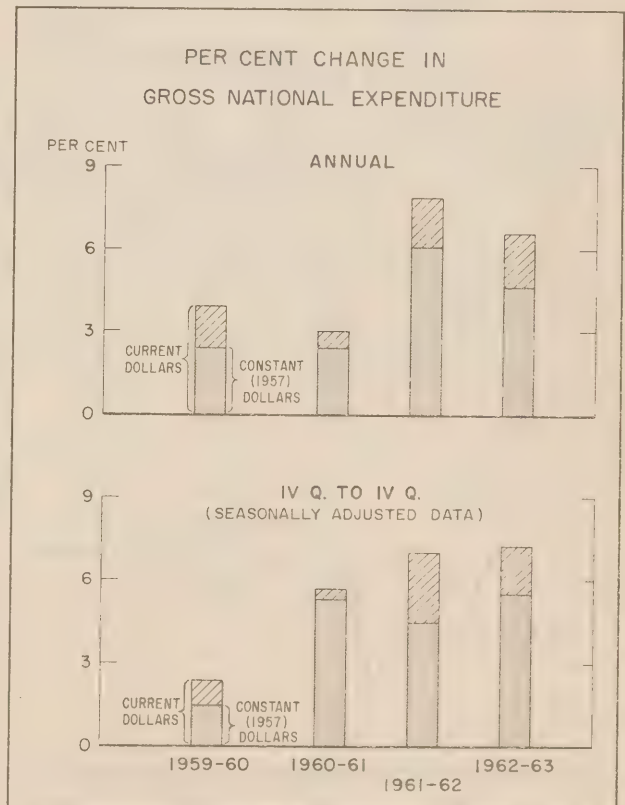
The keynote of the expansion during the year was its widespread nature, with all components of final demand sharing in the growth; there was little change in 1963 in the moderate rate at which inventories were being built-up.

Although the expansion in final demand was generally balanced, the notable 11 per cent rise in the level of merchandise exports and the contraction in Canada's deficit on current account-transactions with other countries were the most prominent developments during the year. The rise in exports was dominated by exceptionally large shipments of wheat to Russia in the final quarter of the year, although increased foreign demand was widespread over many commodities. The growth in exports took place against a background of increasing world trade, expanding economic activity in the main industrial countries and one in which the competitive position of Canadian industry appeared to have improved. Overall imports rose more moderately, by just over 5½ per cent, but the annual average increase does not reveal the relatively greater importance of the supply of foreign goods and services in the latter half of the year. The performance of business fixed capital formation including residential construction was also noteworthy in 1963, with the sharpest relative year-to-year increase since 1956-57. The increase occurred irregularly through the year but was particularly pronounced at the end of the year, especially in housing, where special federal government legislation designed to stimulate winter building of houses came into effect. Consumer demand registered a higher than average year-to-year increase and was particularly strong in the final half of the year, accounting for more than half of the total increase in GNP. This pattern was partly the result of the notably buoyant demand for automobiles in the fourth quarter and of general increases in non-durable goods in the prior quarter.

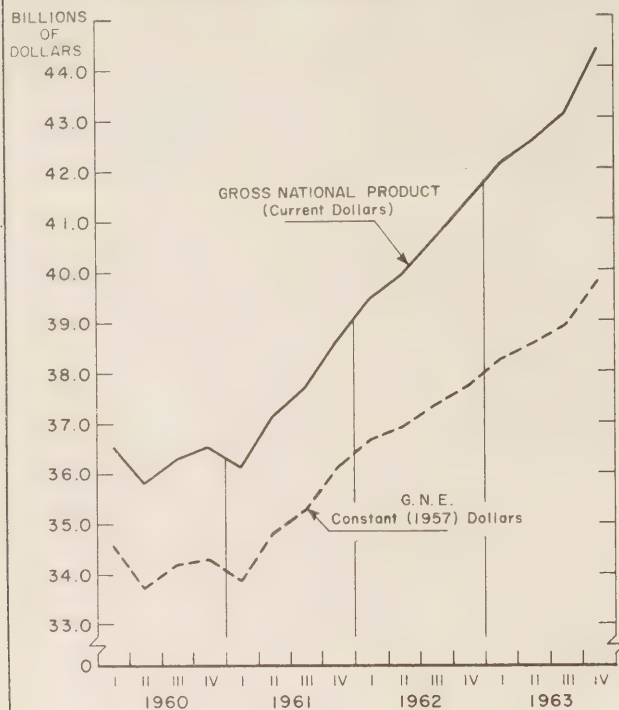
Expenditure of government on goods and services which rose sharply at the beginning of the year, declined slightly in the final quarter due to

lower federal defence and non-defence spending. The year-to-year increase of under 5 per cent was smaller than the general increase in GNP and was less than that experienced in both 1961 and 1962. The net of total revenue and expenditure of all levels of government, on a national accounts basis, resulted in a decline in the annual deficit from that experienced in 1962. During the year the deficit declined progressively from the second quarter, and in the final quarter of the year was the lowest since early 1960.

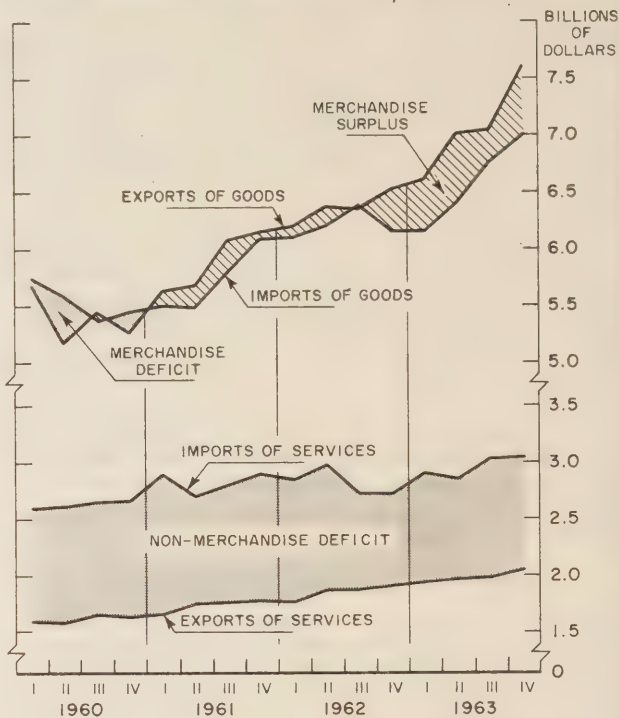
Increases in demand were paralleled by a 7 per cent rise, to \$32.6 billion, in national income, in which both profits and labour income registered similar relative gains. Accrued net farm income rose more sharply due to the record wheat crop which, in volume terms, was over one quarter greater than in the previous year and over one-and-a-half times the size of the 1961 crop. Because of the wide variations in the wheat crop, the year-to-year movement in GNP 1961 to 1962 appears significantly larger than the 1962 to 1963 increase, 7.9 and 6.6 per cent respectively, whereas GNP excluding accrued net income of farm operators reveals little difference in the strength of the expansion between 1961 to 1962 and 1962 to 1963, 6.6 per cent and 6.3 per cent respectively.



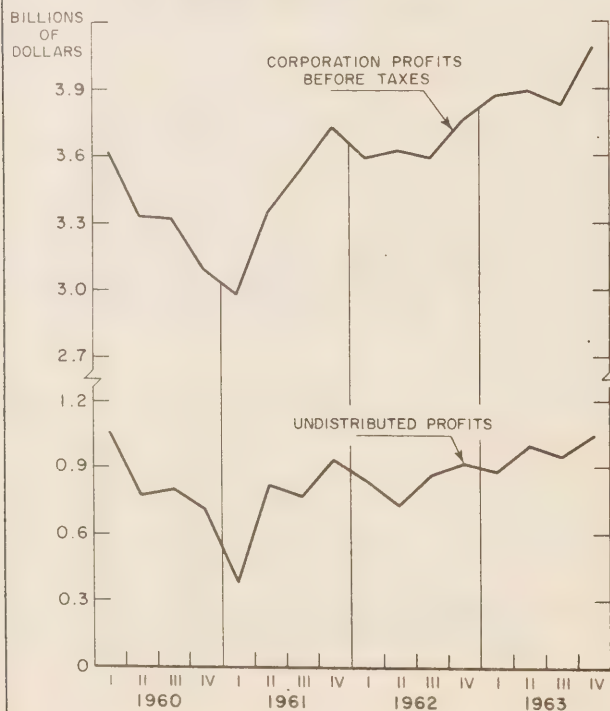
IN THE FOURTH QUARTER, G.N.P. ROSE
BY ALMOST 3 PER CENT-----



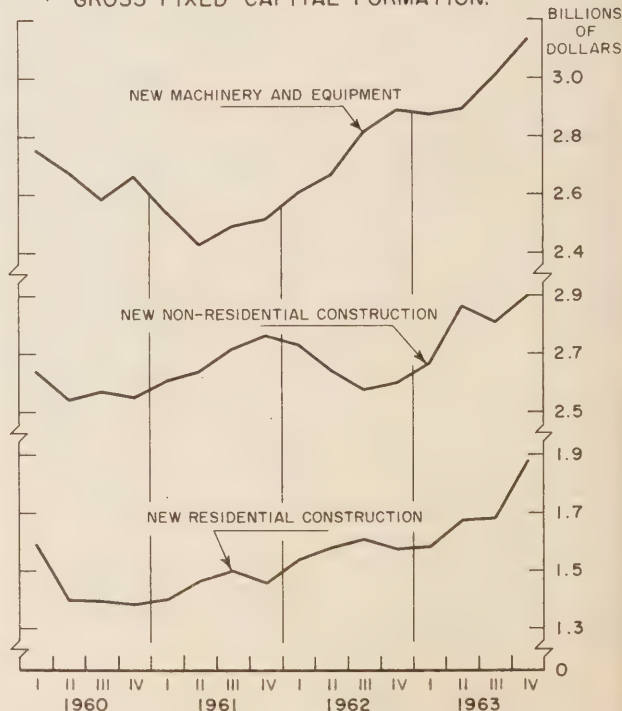
-----REFLECTING A SIGNIFICANT NARROWING
IN THE CURRENT ACCOUNT DEFICIT,-----



-----A RESUMPTION IN THE
CLIMB IN PROFITS-----



-----AND INCREASES
IN ALL COMPONENTS OF BUSINESS
GROSS FIXED CAPITAL FORMATION.



ALL DATA IN THE ABOVE CHARTS ARE SEASONALLY ADJUSTED AT ANNUAL RATES.

The current period of uninterrupted expansion commenced early in 1961, and the end of 1963 witnessed the eleventh quarter of growth. Judged against the three previous expansions the current period compares favourably, standing 17½ per cent above the trough in real terms, as against 7 per cent in the short-lived seven quarter 1958-60 upswing, 21 per cent in the capital spending boom of 1954-57 and 19 per cent in the 1949-52 expansion, both measured after eleven quarters of expansion. As was true for the year, the current expansion also presents a more balanced growth than previous upswings, with no one component of demand predominating.

Despite the performance of the economy in 1963 and almost three years of continuous expansion, evidence of unutilised labour resources still persists. The unemployment rate seasonally adjusted in the fourth quarter of 1963 stood at just over 5 per cent of the labour force, a decline however from almost 6 per cent at the end of 1962. This decline was less than would be suggested by the increase in employment of more than 4 per cent over the same period because of the 3 per cent growth in the total labour force, about 200,000 persons, between the fourth quarters of 1962 and 1963.

Price Movements

As noted earlier with overall prices increasing by nearly 2 per cent, more than two thirds of the approximately 6½ per cent increase in value represented a gain in real terms. The following table, which compares value, volume, and price changes over the past two years, indicates that prices rose by about the same amount in 1963 as in 1962, both being moderate compared with price increases experienced in the 1954-57 and 1949-52 business expansions. Within the components of GNE price changes of certain foodstuffs affected the price indexes of both personal expenditure and imports. (Because imports are excluded by definition from GNE, changes in the prices of imported goods may affect the components of GNE, but are not reflected in the over-all measure of price change.) Besides the spectacular increase of about 90 per cent in the price of sugar, prices of citrus fruits also increased significantly as a result of short supplies. Other price changes occurred; in business gross fixed capital formation they were partly as a result of the wider application of the federal sales tax and in government expenditure they reflected increases in wage rates and in highway construction costs.

Per Cent Changes – Value, Volume, and Price

	<u>1962</u> <u>1961</u>			<u>1963</u> <u>1962</u>		
	Value	Volume	Price ¹	Value	Volume	Price ¹
Personal expenditure	5.3	3.9	1.3	5.8	4.3	1.5
Non-durable goods, ex. food	7.3	6.6	0.6	4.2	3.1	1.0
Non-durable goods—Totals	5.5	4.2	1.3	4.2	2.4	1.7
Durable goods	7.9	8.1	- 0.2	9.5	9.1	0.4
Services	4.2	2.2	2.1	6.8	5.3	1.3
Government expenditure	6.2	2.0	4.1	4.8	- 0.2	5.0
Business gross fixed capital formation	4.9	2.3	2.6	7.7	4.9	2.7
New residential construction	8.2	5.1	2.9	8.1	4.5	3.5
New non-residential construction	- 1.7	- 3.7	2.1	6.6	3.5	2.9
New machinery and equipment	10.1	7.2	2.7	8.5	6.4	2.0
Exports of goods and services	7.8	4.5	3.1	10.1	8.8	1.2
Total final demand	5.8	3.5	2.3	6.6	4.5	2.0
Imports of goods and services	5.7	1.4	4.3	5.6	2.7	2.8
Gross National Expenditure	7.9	6.1	1.7	6.6	4.6	1.8

¹ Implicit price indexes.

Changes in Components of Gross National Expenditure and Other Data

	Per cent changes in year-to-year		Per cent changes over the year (Seasonally adjusted)	
	1961 to 1962	1962 to 1963	4Q '61 to 4Q '62	4Q '62 to 4Q '63
Gross National Expenditure	7.9	6.6	7.0	7.2
Personal expenditure	5.3	5.8	5.3	6.6
Government expenditure	6.2	4.8	2.9	4.1
Business gross fixed capital	4.9	7.7	4.9	12.0
Business inventories	(\$ 23m.)	(\$-135m.)	(\$-544m.)	(\$ 228m.)
Farm inventories	(\$631m.)	(\$ 72m.)	(\$ 848m.)	(\$-316m.)
Exports of goods and services	7.8	10.1	6.3	14.5
Imports of goods and services	5.7	5.6	- 1.1	13.0
Net National Income	7.9	7.0	7.1	7.4
Wages and salaries	6.3	6.8	5.8	7.9
Corporation profits before taxes ¹	7.1	7.7	0.8	8.8
Rent, interest, etc.	6.0	7.7	6.7	4.8
Accrued farm income	53.2	15.5	73.2	15.9
Other unincorporated business income	3.5	4.1	- 2.0	6.1
Personal disposable income	8.1	6.3	6.8	6.9
Net personal saving	(\$829m.)	(\$ 273m.)	(\$ 488m.)	(\$ 244m.)

¹ Before deducting dividends paid to non-residents.

Consumer Expenditure

Above average increases in the third and fourth quarters of the year raised the level of personal expenditure by almost \$1.5 billion to \$27.2 billion for the year 1963, almost 6 per cent above the previous year. This was the largest increase registered since 1959, and was slightly higher than the rise noted last year. Prices which were higher by 1½ per cent in 1963, in part due to the rise in certain food-stuffs, reduced the increase in real terms to about 4½ per cent, slightly larger than in 1962.

Durable goods, stimulated by high car sales in the fourth quarter, made a notable contribution to

the overall increase in personal expenditure. The 9½ per cent increase in durables, up again from an 8 per cent rise in 1962, was the largest since 1955 and contrasted particularly with 1960 and 1961 when purchases of durable goods showed little change. As noted above car sales to persons were an extremely important expansionary element and net purchases of new and used cars, which rose more than 14 per cent from the previous year, accounted for three-quarters of the increase in durables. Among the other durables, home furnishings increased by less than 8 per cent while the remaining items showed increases of around 3 per cent.

Personal Expenditure — Per Cent Change

	Year 1961 to year 1962	Year 1962 to year 1963
Total non-durables	5.5	4.2
Food	3.5	4.3
Clothing	3.7	4.1
Total durables	7.9	9.5
New and used automobiles	13.6	14.5
Total goods	5.9	5.2
Total services	4.3	6.8
Total personal expenditure	5.3	5.8

Expenditures on services which rose by more than 6½ per cent made the largest contribution to the increase in personal spending. This increase was somewhat higher than that for the three preceding years and reflected mainly an increase in shelter expenses. Again this year the movement in services was dampened by the movement in net expenditure abroad¹ as the balance on tourist and travel account with the external sector moved to a surplus for the first time in more than a decade.

The increase in non-durables of 4 per cent was more moderate, reflecting in part lower than usual growth in alcoholic beverages and tobacco products, both increasing by about 3 per cent. Expenditures on food and clothing increased by 4 per cent while expenditures on fuel (including gas) increased only 2 per cent, probably reflecting the mild weather during the fall of 1963.

Business Gross Fixed Capital Formation

Spending on fixed capital in 1963 totalled \$7.5 billion, nearly 8 per cent higher than in 1962, with outlays on residential construction and machinery and equipment both higher by over 8 per cent and non-residential building and engineering construction by just over 6½ per cent. The pattern of total spending through the year was one of continuous growth with particularly sharp increases in the spring and final quarters of the year; some hesitancy was evident between the second and third quarters, possibly reflecting uncertainty regarding changes in the building materials sales tax. The surge in spending at the year-end, which was centred in housing, carried the fourth quarter level to an annual rate 5½ per cent above the annual average. The overall advance in business spending on fixed capital matched the increase in GNP, and the ratio of capital spending to GNP remained over 17 per cent.

Investment in new housing has fluctuated more widely than other components of fixed capital formation in the past three years, and in 1963 the 8 per cent increase, to an average annual level of \$1.7 billion, conceals some sharp movements within the year. Dwelling unit starts rose throughout the four quarters, moderately in the first three quarters as multiple dwelling unit starts offset some decline in single units, but very sharply in the final quarter as the federal government's winter house building incentive programme and direct lending by CMHC under the National Housing Act stimulated house building activity. At the year-end the number of units under construction stood at a record high of 96.6 thousand, twenty thousand above the previous year-end, and starts during the year totalled 148.6 thousand, 14 per cent higher than 1962.

The value of non-residential construction rose by just over 6½ per cent to \$2.8 billion for the year, the sharpest year-to-year gain to emerge so far in the current three year expansion in business activ-

ity. During the year the gains were even more notable as the value of work put in place rose by over 11½ per cent between the fourth quarters of 1962 and 1963. The strength was centred mainly in the development of such utilities as electric power undertakings, railway and urban transit systems expansion and renewals, extension of oil and gas pipeline facilities and communications systems. Within manufacturing, which in total had a slightly smaller construction programme than in 1962, the machinery and transportation equipment industries stand out as the two industry groups with much heavier spending programmes than in the previous year.

Investment in machinery and equipment which has registered increases in nine of the past ten quarters rose by 8½ per cent in 1963 to almost \$3.0 billion. Most of the strength occurred in the second half of the year when the seasonally adjusted annual rate was running 12 per cent above the 1962 annual average. The increases stemmed mainly from the sharply higher level of investment in farm implements, machinery and equipment; the larger investment programme in the manufacturing sector of the economy particularly in the paper, chemical and transportation equipment industries; and higher outlays by the telephone utilities. Two of these areas of greatest expansion reflect to some extent the buoyancy of farm incomes following two good crop years and the high level of overseas demand for Canadian wheat over the past three years and the sustained strength in the demand for new autos over the past two years.

During 1963 there were a number of special factors operating on employment and investment. Measures were introduced by the federal government designed to stimulate employment and investment in slow growth areas and in certain industries. New manufacturing or processing enterprises located in designated areas of slower growth were offered exemption from income tax for three years and the concession of writing off new machinery and equipment in two years and new buildings in five. Accelerated depreciation was extended on certain new facilities for manufacturing and processing enterprises owned by Canadian residents and to companies having a specified minimum degree of Canadian ownership and control. Oil and gas transmission companies were also allowed to deduct from income for tax purposes, expenditures on drilling for oil, gas or minerals. Another factor was the introduction in June of a 4 per cent sales tax on certain previously exempt building materials and production machinery and equipment; this will be increased in successive stages to 8 per cent in April 1964 and 11 per cent in January 1965.

It is not possible to establish the net effect of these measures in isolation, but some of these effects are probably in the overall figure of anticipated business fixed capital spending for the year 1964, as published in "Private and Public Investment in Canada—Outlook 1964". These anticipations, if realized, would result in outlays of \$1.9

¹ Includes the expenditures abroad of Canadian tourists and excludes foreign tourists expenditure in Canada.

billion on housing, \$6.3 billion on private non-residential construction plus machinery and equipment, adding to a total spending programme of \$8.2 billion, about 9 per cent above the annual average for 1963 and 3 per cent higher than the \$7.9 billion annual rate achieved in the fourth quarter 1963.

Non-farm Business Inventories

Business inventories showed an accumulation of \$166 million in 1963, a moderately lower rate than in the previous year, with the result that they did not contribute to the 1962-63 expansion in activity. In total the quarterly pattern revealed virtually no net change in inventories in the first half of the year and a growing rate of accumulation in the latter half. The figures at the total level suggest a continuation of the downward drift in the ratio of stocks to output which has been apparent for a number of years. The main build-up in stocks appears to have taken place in the hands of retail dealers, partly representing increased holdings of

new cars in the closing months of the year as producers' shipments have run slightly ahead of sales. Manufacturers' stocks showed little change over the year.

Imports and Exports

Against a background of general expansion in world trade and economic activity, Canada's transactions with non-residents in both merchandise and non-merchandise trade rose between 1962 and 1963. With exports rising by 10 per cent to a level in excess of \$9 billion and imports 5½ per cent higher at \$9½ billion, the deficit on current account transactions with non-residents (on a national accounts basis) fell to just under \$500 million from a little over \$800 million in 1962. The entire improvement was due to transactions on merchandise, the surplus rising from \$155 million to \$484 million; little change occurred in the balance on service and non-merchandise transactions account which stood at \$972 million in 1963.

Exports and Imports of Merchandise and Services

(Quarters seasonally adjusted at annual rates)

	1962	1963					Per cent change	
	Annual	1Q	2Q	3Q	4Q	Annual	3Q to 4Q	Year '63 Year '62
Exports:								
Merchandise	6,364	6,604	7,008	7,048	7,596	7,064	7.8	11.0
Services (including interest and dividend receipts)	1,860	1,948	1,972	1,984	2,056	1,990	3.6	7.0
Interest and dividend receipts	(211)	(240)	(228)	(216)	(228)	(228)	5.6	8.1
Totals	8,224	8,552	8,980	9,032	9,652	9,054	6.9	10.1
Imports:								
Merchandise	6,209	6,152	6,400	6,768	7,000	6,580	3.4	6.0
Services (including interest and dividend payments)	2,824	2,912	2,856	3,036	3,044	2,962	0.3	4.9
Interest and dividend payments	(781)	(840)	(788)	(852)	(888)	(842)	4.2	7.8
Totals	9,033	9,064	9,256	9,804	10,044	9,542	2.4	5.6

The gains in exports, after allowance for seasonal influences, did not occur evenly during the year, but were concentrated in the second and final quarters. Certain already well known factors contributed to this pattern. In the second quarter, exports of nickel were particularly strong and higher newsprint exports reflected the settlement of a labour dispute in the United States, whereas in the fourth quarter heavy shipments of wheat and wheat-flour began to flow to Russia as a result of the agreement signed with that country in September. The increase of 11 per cent in merchandise exports for the year, which carried the total value to \$7,064 million, was achieved in addition to the sharply higher wheat sales, by sizeable increases in iron ore, softwood lumber, wood pulp, railway rolling

stock, navigational systems and electronic control equipment. Gains were widespread over many other commodities and the relative rise in the general grouping of manufactured products was notable. Despite the widespread nature of the gains however, close to half the total increase was accounted for by four of the main commodities noted above (wheat, iron ore, softwood lumber and wood pulp). The rise in prices of exports was around 1 per cent in 1963 indicating that most of the increase was in real terms.

The 6 per cent rise in imports of goods occurred more evenly through the year than export sales, although some irregularity appeared in the third quarter due to unusually large imports of raw sugar.

The increase of \$371 million which carried imports to a total of \$6,580 million, was largely due to heavier inflows of raw sugar, farm equipment and tractors, crude petroleum and automobile parts; although the increase in automobile parts was largely offset by the decline in finished automobile imports. Measures were announced by the Government in October which are likely to affect future imports and exports of automobiles and parts; one of the objectives is to reduce the adverse balance in these items with other countries by reductions in duties on vehicles and parts conditional on increases of exports of similar types of goods. Some of the increase in imports may have been attributable to the elimination at the end of March of the remaining temporary surcharges imposed at the time of the exchange crises in mid-1962. Prices of imports rose more significantly than exports; sugar prices were notably higher among the commodities, in addition to which the impact of the devaluation of the Canadian dollar influenced comparisons in the early months of 1962 and 1963.

Receipts from non-merchandise transactions increased by 7 per cent to reach \$1,990 million in 1963 as travel expenditures and freight and shipping receipts rose sharply accounting for close to three-quarters of the change. The rise of 5 per cent, to \$2,962 million in payments for non-merchandise services was accounted for by between 6 and 8 per cent increases in freight and shipping, interest and dividends and miscellaneous services. The latter includes official contributions which nearly doubled mainly as a result of aid financed under the Colombo Plan, which was at an unusually low level in 1962.

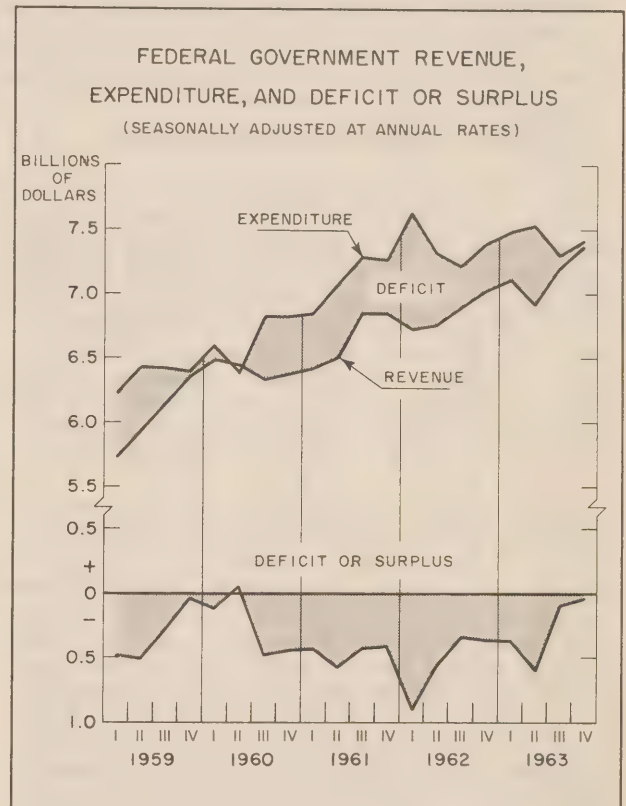
As noted earlier the balance on these transactions showed little year-to-year change. However, among the individual items the most noteworthy was the turnaround in the balance on travel account from a deficit of \$50 million in 1962 to a surplus of \$13 million, the continuation of an improving trend which has been apparent since 1960. But this improvement was offset mainly by a widened deficit on account of interest and dividends and increased official contributions noted above.

Government Sector

Total expenditure of all governments advanced by almost 5 per cent or \$683 million from 1962 to 1963. All components showed increases with the exception of federal expenditure on goods and services which registered a decline. The latter was caused by a 6 per cent reduction in defence outlays. Non-defence expenditures rose slightly as a result of offsetting changes; increases included a 7 per cent rise in wages and salaries and a doubling of payments from the Colombo Plan Fund while decreases were registered in non-defence investment and in the changes in inventories of the Agricultural Stabilization Board.

Transfer payments to persons increased between the two years by 4 per cent to a total of \$3,829 million. The larger part of the increase occurred at the provincial-municipal level reflecting higher payments under the hospital insurance programmes, larger grants to universities and increased social assistance payments.

The increased buoyancy and expansion of activity in the economy was reflected in advances from 1962 to 1963 in all major components of government revenue.



Indirect taxes in total rose by over 5½ per cent with the largest contribution to the increase occurring at the provincial-municipal level. Provincial revenues from retail and gasoline sales taxes rose by over 10 per cent; the increase was associated with higher volume of sales and upward revisions of tax rates during the year. Rates of tax on gasoline and fuel oil were increased in Quebec, Newfoundland and Prince Edward Island; in Manitoba a sales tax on tobacco was introduced and in Prince Edward Island the general sales tax was increased from 4 per cent to 5 per cent. The gain in property taxes accounts for most of the rise at the municipal level, the year to year change being about the same size as has occurred in previous years.

Per cent Change in Government Expenditure and Revenue

	1961 to 1962	1962 to 1963
Government expenditure:		
Goods and services	6.2	4.8
Transfer payments to persons	7.3	4.2
Interest on public debt	11.5	8.0
Subsidies	12.6	9.4
Totals ¹	7.2	5.0
Government revenue:		
Direct taxes—Persons	8.2	7.0
Direct taxes—Corporations	6.3	6.5
Withholding taxes	7.8	2.4
Indirect taxes	12.0	5.7
Investment income	9.3	7.5
Employer-employee contributions	3.0	3.3
Totals ¹	9.4	6.1
Deficit	- 17.7	- 10.5

¹ Excludes inter-governmental transfers.

Federal indirect taxes rose by 2 per cent from 1962 to 1963 but the total masks offsetting changes in the components. Federal excise taxes for example rose sharply, partly associated with the imposition of the 4 per cent sales tax on building materials and production machinery and equipment effective in June, 1963, while revenues from customs imports duties declined as a result of the elimination in the first quarter of 1963 of the last of the temporary emergency surcharges imposed in mid-1962.

Personal and corporate direct tax revenues contributed almost as much as indirect taxes to the rise in total revenue. Both the federal and provincial governments shared in the rise in direct taxes although unevenly; the federal share of personal direct taxes rose by 5 per cent and of the corporate income taxes by 6½ per cent compared to 14 per cent and 6 per cent respectively for the provinces. The sharper increase in the provincial income tax collections is partly attributable to the fact that under the terms of the Federal-Provincial fiscal arrangement which became effective in 1962, the federal share of the taxes on personal incomes dropped slightly with the difference going to the participating provinces. In addition, British Columbia has levied its own succession duties since April, 1963, which contributed to a sharp increase in this component at the provincial level.

Investment income accruing to government rose by 7½ per cent, with the largest increase occurring in trading profits of government enterprises and in interest on government-held public funds. At the federal level, investment income increased by 10 per cent reflecting mainly a higher level of profits of the Bank of Canada and the earnings of the Exchange Fund Account and higher interest on government-held public funds. Increased trading profits of liquor commissions and higher interest income were responsible for most of the increases at the provincial-municipal level.

Because of the greater increase in revenue than in expenditure, the total deficit for 1963 amounted to \$735 million, a decline of \$86 million from 1962. The 1962 federal deficit of \$543 million was almost halved to \$278 million in 1963, while the provincial-municipal deficit increased from \$278 million to \$457 million between these years. It should be noted that in 1962 the federal deficit was irregularly high by about \$75 million, and the provincial-municipal deficit correspondingly lower, as a consequence of the introduction in the first quarter 1962 of the new tax collection arrangements and the continuation of transfer payments under the former tax rental agreements.

National Income

All major shares of national income were up in 1963 as the level reached \$32.6 billion, 7 per cent higher than the previous year. This rise was paralleled by an almost 7 per cent gain in labour income which totalled \$21.6 billion for the year. Reflecting gains in both wage rates and labour inputs, the increase was broadly based, occurring in all industrial groups. The quarterly pattern through the year showed continuous increases, the largest of which occurred in the final quarter. Wages and salaries originating in the goods-producing industries accounted for 41½ per cent of the total, which represents a slight decline in their relative importance between 1962 and 1963 and a continuation of the characteristic post-war trend towards the growing relative importance of the service industries.

Profits increased by a little less than 8 per cent to reach \$3.9 billion, a reflection of a gain in the first quarter of the year, little net change in the second and third and a particularly sharp pick-up in the final quarter. The lack of industrial detail for the fourth quarter prevents discussion of the annual profit position of separate industries. On the basis of nine months data the main increases over the

similar period in 1962 have been recorded in the food and metal industries of manufacturing, wholesale and retail trades and the transportation, storage and communication groups. After allowance for corporate taxes and distribution of dividends, undistributed profits rose by 15½ per cent to \$964 million and in the fourth quarter are estimated to have exceeded an annual rate of \$1 billion.

Accrued net income of farm operators from farm production was at a level of \$1.8 billion in 1963, almost 16 per cent higher than in 1962. The figure was the third highest on record, lower only than that attained in 1951 and 1952. Contributing most to the increase was an accumulation of farm-held stocks of grain and livestock and the increased

profits of the Canadian Wheat Board. The 1963 estimate of the value of crop production is \$1.4 billion, 17 per cent higher than in 1962 and fractionally higher than in the previous all-time record year, 1952.

Farm cash receipts increased over 2 per cent in 1963 to reach an all-time high level. The most important gains were made in returns from the sales of wheat, oats, barley, tobacco, dairy and poultry products.

Farm operating expenses advanced to a level about 5 per cent higher than in 1962. Higher outlays for fertilizers, feed and seed, and the operation of farm machinery including repairs were factors contributing most to the increase.

Farm Income

	1962	1963	Change 1963 1962	Per cent change 1963 1962
millions of dollars				
Farm cash income	3,154	3,222	68	2.2
Income-in-kind	346	353	7	2.0
Farm inventory change	177	313	136	—
Gross income	3,677	3,888	211	5.7
Deduct:				
Farm operating expenses	1,765	1,855	90	5.1
Depreciation	314	325	11	3.5
Add:				
Adjustment on grain transactions ¹	5	136	131	—
Other adjustments	- 57	- 58	- 1	—
Accrued net income of farm operators	1,546	1,786	240	15.5

¹ This adjustment takes account of the undistributed profits of the Canadian Wheat Board.

Personal Income

Personal income rose by over 6 per cent to \$32.8 billion in 1963 with the main increases occurring in the second and fourth quarters as a result of unusually large payments to farmers by the Canadian Wheat Board in the second quarter and the combined effects of higher labour income, farm income and increased old age security transfer payments from the government in the final quarter. Disposable personal income rose faster than personal spending with a resultant increase in saving. Personal net saving increased to \$2,631 million in 1963 and as a proportion of disposable income, rose from 8.4 per cent in 1962 to 8.8 per cent. It should be noted that personal net saving includes unincorporated business saving.

Production by Industry

Real gross domestic product at factor cost in 1963 increased by more than 5 per cent over its 1962 level with goods and service-producing industries rising by about 5½ per cent and 5 per cent respectively. Real domestic product less agriculture increased slightly less than 5 per cent.

Manufacturing has increased faster during the current expansion than total production, accounting for almost one-third of the aggregate increase during the 1961-63 period. The industry group consisting of agriculture, forestry, fishing and trapping and mining accounted for over 20 per cent of the growth, as did the cyclically sensitive trade and transportation group.

In 1963, the index of industrial production reached a level of 196.2 for the year, up by 5½ per cent from the preceding year. The gain in manufacturing was also 5½ per cent, while mining advanced by just over 3 per cent and electric power and gas utilities by almost 9 per cent. With the exception of utilities, these gains were less than those recorded in 1962. The annual averages, however, do not reveal the increasing strength during the latter half of 1963; the index of industrial production from the fourth quarter 1962 to the corresponding quarter 1963 recorded a gain of 8 per cent as against 6 per cent in the comparable 1961-62 period.

Non-durable manufacturing showed a gain of 4½ per cent over 1962, with all major groups contributing. Leather products gained only marginally,

tobacco and printing and publishing by about 2 per cent, while elsewhere increases ranged from 3 per cent in paper products and foods and beverages, to 13 per cent in rubber products. Solid gains of 7 to 9 per cent were recorded in chemicals, textiles, and petroleum products, while clothing gained about 5 per cent.

Durables also continued to expand in 1963, again led by transportation equipment, where output of motor vehicles and parts was up by almost 25 per cent. Iron and steel products contributed heavily, with both iron castings and primary steel higher by about 12 per cent, partly reflecting the strength in the transportation equipment industry. Wood products, with greater strength appearing towards the end of the year, advanced by 5 per cent, as did electrical apparatus and supplies. The latter group was particularly influenced by higher refrigerator and appliance output. Non-metallic mineral products moved up slightly while non-ferrous metal products showed little change.

Mining showed a smaller gain in 1963 than in 1962 due to weaknesses in metals, where, with the exception of iron ore, all other major metals showed declines, up to about 5 per cent in nickel, gold and lead. However, the fuels component of mining continued to expand with good gains in all three indus-

tries, coal, crude petroleum and natural gas. The other contributor to the strength in total mining was non-metals, with asbestos production up by more than 2 per cent.

Among the service producing industries the transportation, storage and communication group advanced by 7 per cent. Storage and transportation, which were influenced by record wheat movements, showed the largest increases, 18 and 8 per cent respectively. Shipping and pipelines increased by more than 10 per cent. Railways, with a 7 per cent advance accounted for about two-fifths of the gain in transportation.

Wholesale and retail trade each showed a 4 per cent gain over 1962. Expansion was widespread at the retail level, with a particularly strong gain in farm implement dealer sales. Motor vehicle dealers and garage and filling stations were also among the more rapidly expanding components.

Public administration and defence showed little change in 1963, as a result of expansion in the provincial component being offset by declines in the other two components. The remaining service-producing industry groups increased at rates slightly above their long-term trends.

PERSONAL EXPENDITURE 1953 to 1963

The decade 1953-1963 was free of major disruptions in the personal sector. The pent-up demand which was a legacy of the World War II had been met and the uncertainty which followed the outbreak of hostilities in Korea had largely subsided. The changes in patterns of consumption thus reflect in the main the emergence of new spending habits among the Canadian population, which are partially, but only partially, explained by the rise in personal incomes. Other important factors at work were the remarkably rapid growth of population in the younger

age groups and the shifts of population from the farms and from the city proper into its suburbs.² Changing technology, the development of new resources and new facilities and institutional factors, notably the introduction of government insurance for hospital care, also played a part.

² See the articles in the Canadian Statistical Review, *The Changing Age-Sex Composition of the Canadian Population*, January 1964; *The Rural and Urban Population of Canada*, March, 1963.

Technical Note

Personal expenditure on consumer goods and services includes personal outlays for durable goods, non-durable goods and services. Free board and lodging and other income in kind are also included in personal expenditure as if persons received income equal to the value of goods and services and then purchased these items. The purchases of houses and other residential buildings are, however, regarded as business fixed capital formation and only the imputed rent on owner occupied houses is included in personal expenditure as if the purchaser was acting as a landlord renting to himself. (This treatment makes the measurement of national production invariant to

shifts between renting and owning houses). In addition to purchases by persons, expenditures by private non-commercial institutions such as hospitals, universities and schools are included and these expenditures are assumed equal to the service they yield to persons; for example personal expenditure estimates include expenditures of universities and not the fees paid to them. The estimate includes spending of Canadian residents temporarily abroad and excludes spending by foreign residents temporarily in Canada. All expenditures that are regarded as business costs are excluded.

Gross National Product rose 72 per cent and population 27 per cent in the decade. Against this background consumer expenditure, representing almost two thirds of the GNP aggregate, was marked in broad profile by an increase of 75 per cent, and by more rapidly rising outlays on services than goods, with a corresponding increase in the proportion of consumer spending devoted to services. Service outlays rose by 105 per cent, compared with 59 per cent on goods, and as a proportion of total spending from 33 per cent to 39 per cent over the decade. The shift to services was mainly at the expense of non-durable goods.

A somewhat different picture emerges, however, when the figures are viewed in terms of constant dollars. The shift to services was less pronounced, since a 32 per cent rise in the price of services contrasted with a rise of only 8 per cent in goods. In constant dollars, outlays on services rose by 55 per cent and on goods by 47 per cent. The latter advance was accompanied by a growth of about 40 per cent in the real output of the retail trade industry. After adjusting for the growth in population, the real increase in expenditures per person occurring since 1953 was 18 per cent, with spending on durable goods showing the greatest relative increase, outpacing by a narrow margin the gain in services.

Personal Expenditure on Consumer Goods and Services

	Per cent changes 1953-63		
	Current dollars	Constant dollars	Constant dollars per person
Food	61.7	40.7	10.5
Tobacco and alcoholic beverages	67.6	52.1	19.6
Tobacco products	80.6	67.2	31.7
Alcoholic beverages	58.4	42.0	11.5
Clothing and personal furnishings	42.5	31.5	3.3
Men's and boys' clothing	38.7	27.8	0.3
Women's and children's clothing	41.6	42.8	12.3
Footwear	42.6	20.5	- 5.1
Laundry and dry cleaning	71.2	..	..
Other	37.3	..	..
Shelter	119.2	71.8	35.0
Gross rents paid by tenants	106.7	..	..
Expenses (taxes, insurance, etc.) paid by owner occupants	175.0	..	..
Net imputed residential rent and imputed residential capital consumption allowances	100.2	..	..
Other	30.9	..	..
Household operation	63.8	59.2	25.1
Fuel	42.1	45.3	14.3
Electricity	120.2	115.4	69.3
Gas	275.0	269.4	188.5
Telephone	147.1	119.4	72.2
Furniture	33.5	24.4	- 2.3
Home furnishings	48.8	38.8	8.9
Appliances, radios and television sets	31.4	66.7	31.0
Other	61.6	..	..
Transportation	88.2	75.0	37.6
Street-car, railway and other fares	42.8	15.8	- 8.8
New automobiles, used automobiles (net) and house trailers	81.7	72.2	35.4
Automotive operating expenses	124.8	113.8	67.9
Personal and medical care and death expenses	135.1	75.5	37.9
Medical and dental care	138.0	..	..
Hospital care, private duty nursing, accident and sickness insurance, prepaid medical care	216.8	..	..
Other	70.8	..	..
Miscellaneous	57.7	16.2	- 7.7
Grand totals	74.6	50.2	18.0
Durable goods	60.3	59.2	25.4
Non-durable goods	59.1	44.5	13.4
Services	105.3	55.2	22.2

.. Not available.

Current dollar outlays on the basic necessities—food, clothing and shelter—have accounted for about the same share of personal expenditure in 1963 as in 1953 (almost one half). The increase in expenditures on these three items was 73 per cent, in line with the 75 per cent increase in total spending on consumer goods over the decade. However the stability of this aggregate conceals some diversity in movement among its components.

Food, the largest single item in the consumer budget, accounted for roughly one quarter of all consumer outlays. Expenditures on foodstuffs, which increased by 62 per cent between 1953 and 1963, fell short of the rise in total spending and its share of the consumer budget declined from 25 per cent to 23 per cent. The rise in the price of food, while somewhat greater than for non-durables as a whole, was only about 1 per cent less than for total expenditure. The increase in real consumption was about 40 per cent.

Per person expenditures on food in constant dollars increased by about 12 per cent, from \$275 in 1953 to \$310 in 1960, and then levelled off, suggesting that at a certain standard of living the rise in consumption of foodstuffs ceases to be important, and income is diverted to other channels. However, the small declines which occurred in real per person expenditures on food since 1960 should not be interpreted too strictly; they may reflect deficiencies in measurement and are still subject to revision.

Spending on clothing did not keep pace with the growth in total consumer outlays, a trend which was evident in clothing and footwear for both sexes. However, the 40 per cent advance recorded in outlays on clothing and footwear also reflected a growth in the volume of purchases; price increases were mostly moderate, with some decline occurring in prices of women's and children's clothing. The amount of clothing purchased per person remained virtually unchanged between 1953 and 1963. The slower rate of growth in this component is reflected in manufacturing output in the clothing industry.

In contrast to the non-durable necessities, food and clothing, expenditure on shelter, which is classified as a service expenditure, was distinguished by rapid growth in current dollar outlays, which more than doubled, as well as by a substantial increase in constant dollars. After allowing for the increase in population, outlays for shelter rose by one third. This growth reflects to some extent the upgrading in housing standards which took place over the ten-year span. Amongst other things the 1961 Census revealed that the addition to the stock of dwellings between 1951 and 1961 exceeded the growth in population, that there had been a sharp reduction in the proportion of dwellings in need of major repairs, and that a much higher proportion of dwellings had running water, baths or showers, flush toilets and hot air furnaces in 1961 than ten years earlier.

The value of sales of tobacco and alcoholic beverages (not included in the general references to food), rose by approximately 80 and 60 per cent respectively. However, because of less sharply

rising prices for tobacco, the difference in the rates of increase was even more pronounced when cast in constant dollar terms. On a per person basis, consumption of tobacco and tobacco products was one-third higher in contrast to a gain of one-tenth in alcoholic beverages.

Outlays on major durable goods, with the exception of purchases of motor vehicles, have some correspondence with housing inasmuch as most of them serve to furnish and equip homes, although naturally many other factors enter into the determination of the level of demand. Expenditure on home furnishings, and furniture and appliances have grown by one-half and one-third respectively. The most notable feature has been the significant decline of about one-fifth in prices of appliances. Moderate price increases of less than one per cent per year on average occurred in home furnishings and furniture.

The volume of home furnishings and furniture bought per person showed little change in the decade whereas a considerably higher volume of appliances was purchased. This fact is supported by the findings of an annual sample survey of household facilities and equipment which recorded a significantly higher proportion of households owning such appliances as television sets, electric ranges, vacuum cleaners and electric refrigerators in 1963 in contrast to the degree of ownership in 1953.

While the amount spent on household durable goods declined as a proportion of total consumer spending, the share of spending on other items of household operation including amongst other items fuel, telephone and cleaning supplies increased. Expenditures doubled with rising prices contributing about one-quarter to this increase. Outlays on electricity and gas grew sharply; these increases to some extent took place at the expense of such other forms of fuel as wood and coal. With the extension of the Trans-Canada pipeline, new markets in eastern Canada were tapped and the value of sales of natural gas rose by over 270 per cent. In the field of home heating there was a marked change in the principal heating fuels used in homes in Canada between 1953 and 1963. Users of oil and piped gas as a proportion of all households increased from 35 and 6 per cent respectively to 59 and 22 per cent.

One of the major items in the consumer budget is spending on transportation. In spite of a very large increase in personal air travel, expenditures on road, rail, air and sea fares in total have declined in relative importance while items associated with car ownership, including expenditures on automobiles themselves, increased sharply. Automotive operating expenses more than doubled, having increased in relative importance from $3\frac{1}{2}$ per cent to $4\frac{1}{2}$ per cent of consumer outlays. Prices of the commodity portion of the estimate of operating expenses which covers gas, oil, grease, auto parts and accessories, declined slightly from 1953 but the price of servicing cars increased by almost 30 per cent. The rising outlays on automotive operating expenses are not surprising in view of the almost

tripled value of new and net used car purchases. Price increases were modest and the growth in real terms on a per person basis was significant, a gain of about one-third. Increased expenditures on cars are consistent with the growth in households owning cars; since 1953 the percentage of households owning one car increased from 48 per cent to 62 per cent, and of households owning two or more cars from 4 per cent to 10 per cent. Another aspect of the increased penetration of car ownership is illustrated by the fact that there were 244 cars per 1,000 persons in Canada in 1962 compared with 170 in 1953.³

Purchases of cars have, however, been subject to some fluctuation over the ten year period, associated largely with changing levels of general business activity. A decline was recorded in 1954 and again, though more moderately, in 1957. Statis-

³ These figures also include cars for business use.

tics reveal little evidence of a clear cut replacement cycle; a large number of cars were withdrawn from use in 1957 and 1958, years in which new car sales were at less than preceding levels.⁴

The main stimulus to the very sharp rise in outlays on services, apart from increased expenditures on shelter, which were noted above, was the growth in medical care. Expenditures almost tripled. Its share in the consumer budget rose from under 4 per cent to a little over 6 per cent and after allowance for price increases and a larger population, the increase was over 50 per cent. This growth was stimulated by the increasing participation of governments in medical and hospital insurance schemes.

⁴ Withdrawals estimated by adding current year new car sales to registrations for the previous year, then deducting current year registrations.

Personal Expenditure on Consumer Goods and Services

	Per cent distribution of current dollar outlays	
	1953	1963
Food	24.9	23.0
Tobacco and alcoholic beverages	7.0	6.8
Tobacco products	2.9	3.0
Alcoholic beverages	4.1	3.8
Clothing and personal furnishings	11.8	9.6
Men's and boys' clothing	2.7	2.1
Women's and children's clothing	5.1	4.1
Footwear	1.4	1.2
Laundry and drycleaning	0.9	0.8
Other	1.7	1.4
Shelter	12.7	15.9
Gross rents paid by tenants	3.7	4.4
Expenses (taxes, insurance, etc.) paid by owner-occupants	4.1	6.4
Net imputed residential rent and imputed residential capital consumption allowances	3.6	4.1
Other	1.3	1.0
Household operation	12.8	12.0
Fuel	1.9	1.6
Electricity	1.1	1.4
Gas	0.3	0.5
Telephone	1.0	1.4
Furniture	1.6	1.3
Home furnishings	1.4	1.1
Appliances, radios and television sets	2.5	1.9
Other	3.0	2.8
Transportation	11.4	12.3
Street-car, railway and other fares	2.1	1.7
New automobiles, used automobiles, (net) and house trailers	5.8	6.0
Automotive operating expenses	3.5	4.6
Personal and medical care and death expenses	6.5	8.7
Medical and dental care	1.3	1.8
Hospital care, private duty nursing, accident and sickness insurance, pre-paid medical care	2.3	4.1
Other	2.9	2.8
Miscellaneous	12.9	11.7
Grand totals	100.0	100.0
Durable goods	12.8	11.7
Major durable goods	11.2	10.3
Miscellaneous durable goods	1.6	1.4
Non-durable goods	53.9	49.2
Services	33.3	39.1

This brief review has attempted to highlight some of the changes which occurred in consumer spending in the past decade and by noting some of the constant dollar per person estimates, to give rough impressions of the changes in the real living standards of Canadians. In aggregative measures such as those used in this note, changing patterns occur only slowly and then the shifting emphasis between items of expenditure is usually marginal.

In summary, it can be noted, however, that consumer expenditure rose in step with the overall increase in production and that in terms of current prices, outlays on services increased at the expense of goods. This latter trend is particularly noticeable as between the broad groups of shelter and medical care on the one hand and food and clothing on the

other. In the case of the two service items, expenditures in current dollars rose by 120 and 180 per cent respectively, against a 60 and 40 per cent rise in the two goods components. Of all goods, probably the most significant increase occurred in outlays for cars, which almost tripled, and in the associated products of gas, oil and accessories.

On a per person basis and measured in constant dollars, the most significant increases occurred in connection with new cars and associated products, shelter, and medical care; real gains of a more limited nature were recorded in most of the major categories of expenditure. The notable exceptions to the above were in furniture, footwear and street car, railway and other fares for transportation, which were slightly lower.

Percentage Distribution of Gross National Expenditure, 1959-63

Line No.		1959	1960	1961	1962	1963
1	Personal expenditure on consumer goods and services	64.7	64.9	65.4	63.8	63.3
2	Durable goods	7.7	7.3	7.3	7.3	7.5
3	Non-durable goods	32.6	32.6	32.5	31.8	31.1
4	Services	24.4	25.0	25.6	24.7	24.7
5	Government expenditure on goods and services	18.6	18.7	19.4	19.1	18.8
6	Federal	8.1	8.1	8.0	7.5	6.8
7	Provincial	3.9	3.9	3.9	3.9	4.1
8	Municipal	6.6	6.7	7.5	7.7	7.9
9	Business gross fixed capital formation	19.8	18.4	17.8	17.3	17.4
10	New residential construction	5.0	4.0	3.9	3.9	4.0
11	New non-residential construction	7.4	7.1	7.2	6.6	6.5
12	New machinery and equipment	7.4	7.3	6.7	6.8	6.9
13	Value of physical change in inventories	1.0	1.1	- 0.4	1.3	1.1
14	Non-farm business inventories	1.2	0.9	0.7	0.7	0.4
15	Farm inventories and grain in commercial channels	- 0.2	0.2	- 1.1	0.6	0.7
16	Exports of goods and services	19.1	19.3	20.4	20.4	21.1
17	Imports of goods and services	- 23.3	- 22.5	- 22.8	- 22.4	- 22.2
18	Residual error of estimate	0.1	0.1	0.2	0.5	0.5
19	Gross National Expenditure	100.0	100.0	100.0	100.0	100.0

Percentage Distribution of National Income by Distributive Shares, 1959-63

Line No.		1959	1960	1961	1962	1963
1	Wages, salaries, and supplementary labour income	65.9	66.5	67.3	66.4	66.2
2	Military pay and allowances	1.9	1.9	1.9	1.9	1.9
3	Corporation profits before taxes	11.3	10.5	10.0	10.1	10.2
4	Rent, interest, and miscellaneous investment income	8.8	9.0	9.4	9.2	9.3
5	Accrued net income of farm operators from farm production	4.2	4.3	3.6	5.1	5.5
6	Net income of non-farm unincorporated business	8.4	8.1	8.1	7.7	7.5
7	Inventory valuation adjustment	- 0.5	- 0.3	- 0.3	- 0.4	- 0.6
8	Net National Income at factor cost	100.0	100.0	100.0	100.0	100.0

Percentage Distribution of Gross Domestic Product at Factor Cost, by Industry, 1959-63

Line No.		1959	1960	1961	1962	1963
1	Agriculture	5.3	5.4	4.7	6.0	6.3
2	Forestry	1.2	1.2	1.1	1.1	1.1
3	Fishing and trapping	0.3	0.3	0.3	0.3	0.3
4	Mining, quarrying, and oil wells	4.3	4.4	4.4	4.3	4.1
5	Manufacturing	26.6	26.1	25.5	25.8	25.6
6	Construction	6.0	5.4	5.4	5.3	5.2
7	Transportation	6.8	6.5	6.5	6.2	6.1
8	Storage	0.3	0.3	0.3	0.2	0.3
9	Communication	2.2	2.3	2.4	2.4	2.4
10	Electric power, gas, and water utilities	3.2	3.3	3.4	3.4	3.3
11	Wholesale trade	4.8	4.7	4.6	4.5	4.5
12	Retail trade	9.4	9.3	9.3	8.9	8.8
13	Finance, insurance, and real estate	10.2	10.5	10.6	10.2	10.5
14	Public administration and defence	7.1	7.2	7.5	7.4	7.3
15	Service	12.3	13.1	14.0	14.0	14.2
16	Totals	100.0	100.0	100.0	100.0	100.0

Percentage Distribution of Personal Income by Source, 1959-63

Line No.		1959	1960	1961	1962	1963
1	Wages, salaries, and supplementary labour income ¹	64.5	63.8	63.9	62.9	63.2
2	Military pay and allowances	1.9	1.8	1.9	1.9	1.8
3	Net income received by farm operators from farm production	4.3	4.3	3.4	5.0	5.0
4	Net income of non-farm unincorporated business	8.5	8.1	8.0	7.6	7.5
5	Interest, dividends, and net rental income of persons	10.0	10.5	10.6	10.5	10.7
6	Transfer payments (excluding interest)	10.8	11.5	12.2	12.1	11.8
7	Totals	100.0	100.0	100.0	100.0	100.0

¹ Excludes employer and employee contributions to social insurance and government pension funds.

Selected Per Person Income and Product Series in Current and Constant Dollars, 1959-63

Line No.		1959	1960	1961	1962	1963
Current dollars						
1	Gross National Product	1,997	2,031	2,050	2,172	2,276
2	Personal Income	1,489	1,535	1,562	1,659	1,734
3	Personal Disposable Income	1,370	1,403	1,424	1,513	1,580
4	Personal Expenditure on Consumer Goods and Services	1,292	1,317	1,341	1,386	1,441
Constant (1957) dollars						
5	Gross National Expenditure	1,910	1,914	1,920	2,001	2,057
6	Personal Expenditure on Consumer Goods and Services	1,242	1,254	1,266	1,292	1,324

SECTION A
INCOME AND EXPENDITURE ACCOUNTS

1. Summary Tables

TABLE 1. National Income and Gross National Product, 1959-63

Line No.		1959	1960	1961	1962	1963
millions of dollars						
1	Wages, salaries, and supplementary labour income	17,459	18,245	18,989	20,183	21,550
2	Military pay and allowances	496	509	550	586	598
3	Corporation profits before taxes ¹	3,504	3,338	3,400	3,640	3,920
4	Deduct: Dividends paid to non-residents	- 501	- 458	- 586	- 570	- 593
5	Rent, interest, and miscellaneous investment income	2,315	2,470	2,651	2,809	3,025
6	Accrued net income of farm operators from farm production ²	1,121	1,186	1,009	1,546	1,786
7	Net income of non-farm unincorporated business ³	2,210	2,213	2,274	2,354	2,451
8	Inventory valuation adjustment ⁴	- 122	- 70	- 91	- 133	- 184
9	Net National Income at factor cost	26,482	27,433	28,196	30,415	32,553
10	Indirect taxes less subsidies	4,259	4,470	4,711	5,277	5,565
11	Capital consumption allowances and miscellaneous valuation adjustments	4,204	4,423	4,574	4,865	5,124
12	Residual error of estimate	- 30	- 39	- 90	- 218	- 235
13	Gross National Product at market prices	34,915	36,287	37,391	40,339	43,007

¹ Prior to the 1961 annual publication this item was shown after deduction of dividends paid to non-residents; it is now however inclusive of such dividends. In order to derive series consistent with those published on the old basis, lines 3 and 4 must be combined.

² Includes changes in farm inventories in millions of dollars as follows:

1959	- 76	1962	177
1960	16	1963	313
1961	- 279		

An adjustment has been made to take account of the accrued earnings of farm operators arising out of the operations of the Canadian Wheat Board. (See footnote 5, Table 52.)

³ Includes net income of independent professional practitioners.

⁴ See footnote 5, Table 2.

TABLE 2. Gross National Expenditure, 1959-63

Line No.		1959	1960	1961	1962	1963
millions of dollars						
1	Personal expenditure on consumer goods and services	22,591	23,540	24,451	25,739	27,230
2	Government expenditure on goods and services ¹	6,490	6,769	7,259	7,709	8,076
3	Current expenditure ²	4,967	5,199	5,722	5,954	6,259
4	Gross fixed capital formation ³	1,523	1,570	1,537	1,755	1,817
5	Business gross fixed capital formation ⁴	6,894	6,692	6,635	6,960	7,495
6	New residential construction	1,734	1,443	1,458	1,577	1,705
7	New non-residential construction	2,589	2,577	2,683	2,638	2,811
8	New machinery and equipment	2,571	2,672	2,494	2,745	2,979
9	Value of physical change in inventories ⁵	357	410	- 132	522	459
10	Non-farm business inventories	421	325	278	301	166
11	Farm inventories and grain in commercial channels	- 64	85	- 410	221	293
12	Exports of goods and services ⁶	6,683	7,008	7,631	8,224	9,054
13	Deduct: Imports of goods and services	- 8,131	- 8,172	- 8,542	- 9,033	- 9,542
14	Residual error of estimate	31	40	89	218	235
15	Gross National Expenditure at market prices	34,915	36,287	37,391	40,339	43,007

¹ Includes defence expenditure which is shown in footnote 2, Table 37.

² Also includes net purchases of government commodity agencies and the defence production revolving fund. Excludes shipments of previously produced military equipment to NATO countries but includes replacements of new equipment.

³ Includes outlay on new durable assets such as building and highway construction by governments, other than government business enterprises (for detail see footnote 1, Table 43, and lines 2, 3 and 4, Table 54).

⁴ Includes capital expenditures by private and government business enterprises, private non-commercial institutions, and outlays on new residential construction by individuals and business investors. Total "Private and Public Investment in Canada" can be obtained by adding lines 4 and 5.

⁵ The book value of inventories is deflated to remove the effect of price changes and the derived "physical" change is then valued at average prices of the current period to obtain the value of physical change. The difference between this value of physical change and the change in book value is called the inventory valuation adjustment (see line 8, Table 1).

⁶ Excludes shipments of military equipment to NATO countries under the Defence Appropriation Act. See also Table 55.

TABLE 3. Relation between Net National Income at Factor Cost, Personal Income, Personal Disposable Income, and Personal Net Saving, 1959-63

Line No.		1959	1960	1961	1962	1963
millions of dollars						
1	Net National Income at factor cost	26,482	27,433	28,196	30,415	32,553
2	Add: Transfer payments (excluding interest on the public debt and charitable contributions from corporations) ¹	2,755	3,120	3,425	3,676	3,829
3	Add: Interest on the public debt ¹	963	1,095	1,174	1,309	1,414
4	Deduct: Earnings not paid out to persons ²	- 4,164	- 4,213	- 4,302	- 4,583	- 5,025
5	Equals: Personal income	26,036	27,435	28,493	30,817	32,771
6	Deduct: Personal direct taxes	- 2,088	- 2,360	- 2,513	- 2,720	- 2,910
7	Equals: Personal disposable income	23,948	25,075	25,980	28,097	29,861
8	Deduct: Personal expenditure on consumer goods and services	- 22,591	- 23,540	- 24,451	- 25,739	- 27,230
9	Equals: Personal net saving	1,357	1,535	1,529	2,358	2,631
10	Value of physical change in farm inventories	- 76	16	- 279	177	313
11	Personal saving excluding change in farm inventories	1,433	1,519	1,808	2,181	2,318

¹ Since National Income excludes transfer payments and personal income includes them, items 2 and 3 are added back here. However, charitable contributions from corporations are not added since they are included in National Income.

² This item includes: undistributed corporation profits, corporation profits taxes, withholding taxes, government investment income, adjustment on grain transactions, inventory valuation adjustment, and employer and employee contributions to social insurance and government pension funds.

TABLE 4. Relation between Gross National Product at Market Prices and Gross Domestic Product at Factor Cost, 1959-63

Line No.		1959	1960	1961	1962	1963
millions of dollars						
1	Gross National Product at market prices	34,915	36,287	37,391	40,339	43,007
2	Deduct: Residual error of estimate	30	39	90	218	235
3	Indirect taxes less subsidies	- 4,259	- 4,470	- 4,711	- 5,277	- 5,565
4	Income received from non-residents	- 182	- 173	- 209	- 211	- 228
5	Add: Income paid to non-residents	671	653	770	781	842
6	Gross domestic product at factor cost	31,175	32,336	33,331	35,850	38,291

TABLE 5. Gross National Expenditure in Constant (1957) Dollars, 1959-63^{1,2}

Line No.		1959	1960	1961	1962	1963
millions of dollars						
1	Personal expenditure on consumer goods and services	21,711	22,402	23,095	23,993	25,016
2	Government expenditure on goods and services	6,205	6,268	6,581	6,715	6,702
3	Current expenditure	4,623	4,641	4,905	4,948	4,989
4	Gross fixed capital formation	1,582	1,627	1,676	1,767	1,713
5	Business gross fixed capital formation	6,562	6,231	6,124	6,265	6,571
6	New residential construction	1,633	1,323	1,328	1,396	1,459
7	New non-residential construction	2,473	2,404	2,493	2,400	2,485
8	New machinery and equipment	2,456	2,504	2,303	2,469	2,627
9	Change in inventories	338	397	- 133	495	431
10	Non-farm business inventories	414	325	273	280	158
11	Farm inventories and grain in commercial channels	- 76	72	- 406	215	273
12	Exports of goods and services	6,610	6,884	7,402	7,737	8,414
13	Deduct: Imports of goods and services	- 8,058	- 8,020	- 8,135	- 8,249	- 8,474
14	Residual error of estimate	30	38	83	202	213
15	Gross National Expenditure in constant (1957) dollars	33,398	34,200	35,017	37,158	38,873
16	Index, line 15, 1949 = 100	154.4	158.2	161.9	171.8	179.8

¹ These data are given on a 1949 time base in Tables 56 and 57 in order to provide continuity with Tables 5 and 6 in *National Accounts, Income and Expenditure, 1926-1956*, and Tables 56 and 57 in *National Accounts, Income and Expenditure, 1962*.

² For annual data for the period 1947-58, on a 1957 time base, see Tables 9 and 18 *National Accounts, Income and Expenditure, by Quarters, 1947-61* (DBS Catalogue No. 13-519).

TABLE 6. Implicit Price Indexes - Gross National Expenditure, 1959-63^{1,2}
(1957 = 100.0)

Line No.		1959	1960	1961	1962	1963
1	Personal expenditure on consumer goods and services	104.1	105.1	105.9	107.3	108.9
2	Government expenditure on goods and services	104.6	108.0	110.3	114.8	120.5
3	Current expenditure	107.4	112.0	116.7	120.3	125.5
4	Gross fixed capital formation	96.3	96.5	91.7	99.3	106.1
5	Business gross fixed capital formation	105.1	107.4	108.3	111.1	114.1
6	New residential construction	106.2	109.1	109.8	113.0	116.9
7	New non-residential construction	104.7	107.2	107.6	109.9	113.1
8	New machinery and equipment	104.7	106.7	108.3	111.2	113.4
9	Exports of goods and services	101.1	101.8	103.1	106.3	107.6
10	Imports of goods and services	100.9	101.9	105.0	109.5	112.6
11	Residual error of estimate	104.5	106.1	106.7	108.6	110.7
12	Gross National Expenditure at market prices	104.5	106.1	106.8	108.6	110.6

¹ These implicit indexes are currently weighted price indexes. They reflect not only pure price changes, but also changing expenditure patterns within and between major groups. The implicit price index for Gross National Expenditure is derived by dividing the total of current dollars by the total of constant dollars.

² For annual data for the period 1947-58 on a 1957 time base, see Table 19 in *National Accounts, Income and Expenditure, by Quarters, 1947-61*, (DBS Catalogue No. 13-519).

2. Analysis of Income and Expenditure Accounts
by Sectors of the Canadian Economy

TABLE 7. Personal Income and Expenditure Account, 1959-63
Income

Item No.		1959	1960	1961	1962	1963
millions of dollars						
1	Wages, salaries, and supplementary labour income:					
	(a) From business (28 a)	14,248	14,695	15,043	15,945	16,917
	(b) From governments (19 bi)	2,531	2,761	3,044	3,251	3,545
	(c) From persons (9 b)	680	789	902	987	1,088
	(d) Deduct employer and employee contributions to social insurance and government pension funds (17)	- 652	- 751	- 787	- 811	- 838
2	Military pay and allowances (19 bii)	496	509	550	586	598
3	Net income received by farm operators from farm production ¹ (28 c)	1,126	1,177	978	1,541	1,650
4	Net income of non-farm unincorporated business (28 e)	2,210	2,213	2,274	2,354	2,451
5	Interest, dividends, and net rental income of persons ² (44 a)	2,599	2,882	3,024	3,244	3,487
6	Transfer payments (excluding interest):					
	(a) From governments (20 b)	2,755	3,120	3,425	3,676	3,829
	(b) Charitable contributions from corporations (44 b)	43	40	40	44	44
7	Totals	26,036	27,435	28,493	30,817	32,771

¹ This item differs from line 6 of Table 1 by excluding the adjustment which has been made to take account of the accrued net earnings arising out of the operations of the Canadian Wheat Board.

² Includes all government debt interest paid to persons.

TABLE 8. Personal Income and Expenditure Account, 1959-63
Expenditure

Item No.		1959	1960	1961	1962	1963
millions of dollars						
8	Personal direct taxes:					
	(a) Income taxes (12 a)	1,744	1,979	2,131	2,311	2,487
	(b) Succession duties and estate taxes (12 b)	130	158	144	166	171
	(c) Miscellaneous (12 c)	214	223	238	243	252
9	Purchases of goods and services:					
	(a) From business (24 a)	21,184	21,993	22,771	24,011	25,417
	(b) Direct services (1 c)	680	789	902	987	1,088
	(c) Travel expenditure (34 a)	598	627	642	610	589
	(d) Other expenditures abroad (34 b)	129	131	136	131	136
10	Personal net saving ¹ (48)	1,357	1,535	1,529	2,358	2,631
11	Totals	26,036	27,435	28,493	30,817	32,771

¹ This series includes changes in farm inventories, see Table 3.

TABLE 9. Government Revenue and Expenditure Account, 1959-63¹

Revenue

Item No.		1959	1960	1961	1962	1963
millions of dollars						
12	Direct taxes — Persons:					
	(a) Income taxes (8 a)	1,744	1,979	2,131	2,311	2,487
	(b) Succession duties and estate taxes (8 b)	130	158	144	166	171
	(c) Miscellaneous (8 c)	214	223	238	243	252
13	Direct taxes — Corporations:					
	(a) Income tax collections (44 c)	1,425	1,666	1,551	1,655	1,775
	(b) Excess of income tax liabilities over income tax collections ² (44 d)	156	- 122	49	45	35
14	Withholding taxes (44 e)	74	79	116	125	128
15	Indirect taxes (29 a)	4,464	4,705	4,965	5,563	5,878
16	Investment income:					
	(a) Interest (44 f)	415	463	484	534	576
	(b) Profits of government business enterprises (44 g)	583	600	650	706	757
17	Employer and employee contributions to social insurance and government pension funds (1 d)	652	751	787	811	838
18	Totals³	9,857	10,502	11,115	12,159	12,897

¹ See also Table 36.² See footnote 2, Table 50.³ Inter-governmental transfers are not included in this total, since in the consolidation of the government sector such transactions cancel out. For details of inter-governmental transfers, see Table 46.**TABLE 10. Government Revenue and Expenditure Account, 1959-63¹**

Expenditure

Item No.		1959	1960	1961	1962	1963
millions of dollars						
19	Purchases of goods and services: ²					
	(a) From business (24 b)	3,463	3,499	3,665	3,872	3,933
	(b) Direct service:					
	(i) Wages and salaries (1 b)	2,531	2,761	3,044	3,251	3,545
	(ii) Military pay and allowances (2)	496	509	550	586	598
20	Transfer payments:					
	(a) Interest ³ (45)	963	1,095	1,174	1,309	1,414
	(b) Other (6 a)	2,755	3,120	3,425	3,676	3,829
21	Subsidies (29 b)	205	235	254	286	313
22	Surplus (+) or deficit (-) (on transactions relating to the National Accounts) ⁴ (51)	- 556	- 717	- 997	- 821	- 735
23	Totals⁵	9,857	10,502	11,115	12,159	12,897

¹ See also Table 37.² See line 2, Table 2.³ See footnote 3, Table 37.⁴ For a reconciliation of the federal content of this consolidated surplus (or deficit) with the conventional federal budgetary surplus (or deficit) see Table 53.⁵ In addition to total expenditure, this item includes the government surplus or deficit. Inter-governmental transfers are not included in this total, since in the consolidation of the government sector such transactions cancel out. For details of inter-governmental transfers, see Table 46.

TABLE 11. Business Operating Account, 1959 - 63

Revenue

Item No.		1959	1960	1961	1962	1963
millions of dollars						
24	Sales to residents:					
	(a) Persons (9 a).....	21,184	21,993	22,771	24,011	25,417
	(b) Governments ¹ (19 a).....	3,463	3,499	3,665	3,872	3,933
	(c) Business gross fixed capital formation: ²					
	(i) New residential construction (54 a)	1,734	1,443	1,458	1,577	1,705
	(ii) New non-residential construction (54 b).....	2,589	2,577	2,683	2,638	2,811
	(iii) New machinery and equipment (54 c).....	2,571	2,672	2,494	2,745	2,979
	(d) Value of physical change in inventories (55).....	357	410	- 132	522	459
25	Sales to non-residents:					
	(a) Travel expenditure (38 b)	391	420	482	560	602
	(b) Other (38 c)	6,110	6,415	6,940	7,453	8,224
26	Residual error of estimate	31	40	89	218	235
27	Totals	38,430	39,469	40,450	43,596	46,365

¹ See footnotes 1, 2, 3, Table 2.² See footnote 4, Table 2.**TABLE 12. Business Operating Account, 1959 - 63**

Expenditure

Item No.		1959	1960	1961	1962	1963
millions of dollars						
28	Factor costs:					
	(a) Wages, salaries, and supplementary labour income (1 a).....	14,248	14,695	15,043	15,945	16,917
	(b) Investment income (excluding interest and dividends received from non-residents and including interest and dividends paid to non-residents) (41).....	5,807	5,830	6,026	6,449	6,966
	(c) Net income received by farm operators from farm production ¹ (3)	1,126	1,177	978	1,541	1,650
	(d) Adjustment on grain transactions ² (49 c)	- 5	9	31	5	136
	(e) Net income of non-farm unincorporated business (4)	2,210	2,213	2,274	2,354	2,451
	(f) Inventory valuation adjustment (50)	- 122	- 70	- 91	- 133	- 184
29	Other costs:					
	(a) Indirect taxes (15)	4,464	4,705	4,965	5,563	5,878
	(b) Less subsidies (21).....	- 205	- 235	- 254	- 286	- 313
	(c) Capital consumption allowances and miscellaneous valuation adjustments (49 b)	4,204	4,423	4,574	4,865	5,124
30	Purchases from non-residents (33 b).....	6,733	6,761	6,994	7,511	7,975
31	Residual error of estimate	- 30	- 39	- 90	- 218	- 235
32	Totals	38,430	39,469	40,450	43,596	46,365

¹ See footnote 1, Table 7.² This item is the adjustment to take account of the accrued earnings of farm operators arising out of the operations of the Canadian Wheat Board. See footnote 5, Table 52.

TABLE 13. Non-Residents' Revenue and Expenditure Account, 1959-63¹

Receipts from Canada
(Canadian Imports)

Item No.		1959	1960	1961	1962	1963
		millions of dollars				
33	Receipts from business:					
	(a) Interest and dividends (46 a)	567	523	630	633	671
	(b) Other than interest and dividends (30)	6,733	6,761	6,994	7,511	7,975
34	Receipts from persons:					
	(a) Travel expenditure (9 c)	598	627	642	610	589
	(b) All other receipts (9 d)	129	131	136	131	136
35	Receipts from Government—Interest (46 b)	104	130	140	148	171
36	Surplus (+) or deficit (–) on current account (on transactions relating to the National Accounts) (56) ..	- 1,448	- 1,164	- 911	- 809	- 488
37	Totals	6,683	7,008	7,631	8,224	9,054

¹ These figures differ from those shown in reports on *The Canadian Balance of International Payments*, Dominion Bureau of Statistics, because adjustments have been made to the figures of receipts and payments to achieve consistency with other component series. See Table 55.

TABLE 14. Non-Residents' Revenue and Expenditure Account, 1959-63¹

Payments to Canada
(Canadian Exports)

Item No.		1959	1960	1961	1962	1963
		millions of dollars				
38	Payments to business:					
	(a) Interest and dividends (42 a)	89	72	92	86	80
	(b) Travel expenditure (25 a)	391	420	482	560	602
	(c) Other payments (25 b)	6,110	6,415	6,940	7,453	8,224
39	Payments to other sectors:					
	Interest and dividends (42 b)	93	101	117	125	148
40	Totals	6,683	7,008	7,631	8,224	9,054

¹ See footnote 1, Table 13.

TABLE 15. Investment Income Appropriation Account, 1959-63

Source

Item No.		1959	1960	1961	1962	1963
		millions of dollars				
41	Investment income (excluding interest and dividends received from non-residents and including interest and dividends paid to non-residents) (28 b)	5,807	5,830	6,026	6,449	6,966
42	Interest and dividends from non-residents received by:					
	(a) Corporations (38 a)	89	72	92	86	80
	(b) Other sectors (39)	93	101	117	125	148
43	Totals	5,989	6,003	6,235	6,660	7,194

TABLE 16. Investment Income Appropriation Account, 1959-63

Disposition

Item No.		1959	1960	1961	1962	1963
		millions of dollars				
44	To Canadian residents:					
	(a) Interest, dividends, and net rental income of persons (5)	2,599	2,882	3,024	3,244	3,487
	(b) Charitable contributions from corporations (6 b)	43	40	40	44	44
	(c) Corporation income tax collections (13 a)	1,425	1,666	1,551	1,655	1,775
	(d) Excess of corporation income tax liabilities over collections ¹ (13 b)	156	- 122	49	45	35
	(e) Withholding taxes (14)	74	79	116	125	128
	(f) Government interest revenue (16 a)	415	463	484	534	576
	(g) Profits of government business enterprises (16 b)	583	600	650	706	757
	(h) Undistributed corporation profits (49 a)	986	837	725	835	964
45	Less: Interest on the public debt (20 a)	- 963	- 1,095	- 1,174	- 1,309	- 1,414
46	To non-residents, interest and dividends received from:					
	(a) Business (33 a)	567	523	630	633	671
	(b) Government (35)	104	130	140	148	171
47	Totals	5,989	6,003	6,235	6,660	7,194

¹ See footnote 2, Table 50.**TABLE 17. National Saving Account, 1959-63**

Source

Item No.		1959	1960	1961	1962	1963
		millions of dollars				
48	Personal net saving (10)	1,357	1,535	1,529	2,358	2,631
49	Business gross saving:					
	(a) Undistributed corporation profits (44 h)	986	837	725	835	964
	(b) Capital consumption allowances and miscellaneous valuation adjustments ¹ (29 c)	4,204	4,423	4,574	4,865	5,124
	(c) Adjustment on grain transactions (28 d)	- 5	9	31	5	136
50	Inventory valuation adjustment (28 f)	- 122	- 70	- 91	- 133	- 184
51	Government surplus (+) or deficit (-) (22)	- 556	- 717	- 997	- 821	- 735
52	Residual error of estimate	- 30	- 39	- 90	- 218	- 235
53	Totals	5,834	5,978	5,681	6,891	7,701

¹ Includes capital consumption allowances of incorporated and unincorporated business as well as depreciation on dwellings. See also Table 51.

TABLE 18. National Saving Account, 1959-63
Disposition

Item No.		1959	1960	1961	1962	1963
millions of dollars						
54	Business gross fixed capital formation:¹					
	(a) New residential construction (24 ci)	1,734	1,443	1,458	1,577	1,705
	(b) New non-residential construction (24 cii)	2,589	2,577	2,683	2,638	2,811
	(c) New machinery and equipment (24 ciii)	2,571	2,672	2,494	2,745	2,979
55	Value of physical change in inventories (24d)	357	410	- 132	522	459
56	Surplus (+) or deficit (-) on current account with non-residents ² (36)	- 1,448	- 1,164	- 911	- 809	- 488
57	Residual error of estimate	31	40	89	218	235
58	Totals	5,834	5,978	5,681	6,891	7,701

¹ See footnote 4, Table 2. For reconciliation with *Private and Public Investment* figures published by the Department of Trade and Commerce, see Table 54.

² See footnote 1, Table 13.

TABLE 19. Sector Accounts Consolidation, 1959-63
National Income and Gross National Product

Line No.		1959	1960	1961	1962	1963
millions of dollars						
	Income originating in:					
	Personal sector:					
1	Wages, salaries, and supplementary labour income	680	789	902	987	1,088
2	Business sector	23,264	23,854	24,261	26,161	27,936
3	Wages, salaries, and supplementary labour income	14,248	14,695	15,043	15,945	16,917
4	Investment income (excluding interest and dividends received from non-residents and including interest and dividends paid to non-residents)	5,807	5,830	6,026	6,449	6,966
5	Net income received by farm operators from farm production	1,126	1,177	978	1,541	1,650
6	Adjustment on grain transactions	- 5	9	31	5	136
7	Net income of non-farm unincorporated business	2,210	2,213	2,274	2,354	2,451
8	Inventory valuation adjustment	- 122	- 70	- 91	- 133	- 184
9	Government sector	3,027	3,270	3,594	3,837	4,143
10	Wages, salaries, and supplementary labour income	2,531	2,761	3,044	3,251	3,545
11	Military pay and allowances	496	509	550	586	598
12	Non-residents' sector	- 489	- 480	- 561	- 570	- 614
	Interest and dividends paid by non-residents:					
13	(a) To Canadian corporations	89	72	92	86	80
14	(b) To other Canadian sectors	93	101	117	125	148
	Less interest and dividends received by non-residents:					
15	(a) From Canadian business	- 567	- 523	- 630	- 633	- 671
16	(b) From Canadian governments	- 104	- 130	- 140	- 148	- 171
17	Net National Income at factor cost	26,482	27,433	28,196	30,415	32,553
18	Capital consumption allowances and miscellaneous valuation adjustments	4,204	4,423	4,574	4,865	5,124
19	Indirect taxes	4,464	4,705	4,965	5,563	5,878
20	Less subsidies	- 205	- 235	- 254	- 286	- 313
21	Residual error of estimate	- 30	- 39	- 90	- 218	- 235
22	Gross National Product at market prices	34,915	36,287	37,391	40,339	43,007

TABLE 20. Sector Accounts Consolidation, 1959-63
Gross National Expenditure

Line No.		1959	1960	1961	1962	1963
		millions of dollars				
1	Personal expenditure on consumer goods and services	22,591	23,540	24,451	25,739	27,230
2	Purchases from business	21,184	21,993	22,771	24,011	25,417
3	Purchases of direct services	680	789	902	987	1,088
4	Purchases from non-residents	727	758	778	741	725
5	Government expenditure on goods and services	6,490	6,769	7,259	7,709	8,076
6	Purchases from business	3,463	3,499	3,665	3,872	3,933
7	Wages and salaries	2,531	2,761	3,044	3,251	3,545
8	Military pay and allowances	496	509	550	586	598
9	Business gross fixed capital formation	6,894	6,692	6,635	6,960	7,495
10	New residential construction	1,734	1,443	1,458	1,577	1,705
11	New non-residential construction	2,589	2,577	2,683	2,638	2,811
12	New machinery and equipment	2,571	2,672	2,494	2,745	2,979
13	Value of physical change in inventories	357	410	- 132	522	459
14	Exports of goods and services	6,683	7,008	7,631	8,224	9,054
15	Payments to Canadian business	6,590	6,907	7,514	8,099	8,906
16	Payments to other sectors	93	101	117	125	148
17	Imports of goods and services	- 8,131	- 8,172	- 8,542	- 9,033	- 9,542
18	Receipts from Canadian business	- 7,300	- 7,284	- 7,624	- 8,144	- 8,646
19	Receipts from persons	- 727	- 758	- 778	- 741	- 725
20	Receipts from government	- 104	- 130	- 140	- 148	- 171
21	Residual error of estimate	31	40	89	218	235
22	Gross National Expenditure at market prices	34,915	36,287	37,391	40,339	43,007

SECTION B

INDUSTRIAL DISTRIBUTION OF GROSS DOMESTIC
PRODUCT AND OTHER AGGREGATES

TABLE 21. Gross Domestic Product at Factor Cost, by Industry, 1959-63¹

Line No.		1959	1960	1961	1962	1963
millions of dollars						
1	Agriculture	1,660	1,745	1,584	2,142	2,401
2	Forestry	380	403	354	389	408
3	Fishing and trapping	95	91	99	117	114
4	Mining, quarrying, and oil wells	1,340	1,433	1,466	1,547	1,578
5	Manufacturing	8,286	8,427	8,500	9,240	9,811
6	Construction	1,872	1,745	1,806	1,901	1,991
7	Transportation	2,133	2,103	2,157	2,225	2,331
8	Storage	88	89	89	84	97
9	Communication	686	744	795	870	928
10	Electric power, gas, and water utilities	998	1,070	1,143	1,213	1,260
11	Wholesale trade	1,487	1,506	1,535	1,621	1,737
12	Retail trade	2,924	3,016	3,112	3,183	3,373
13	Finance, insurance, and real estate ²	3,175	3,383	3,524	3,663	4,019
14	Public administration and defence	2,201	2,342	2,514	2,652	2,812
15	Service	3,850	4,239	4,653	5,003	5,431
16	Totals	31,175	32,336	33,331	35,850	38,291

¹ For a reconciliation between Gross National Product at market prices and gross domestic product at factor cost, see Table 4. It should be noted that the data for wages, salaries, and supplementary labour income; and the inventory valuation adjustment are on an establishment basis, while the data for net income of unincorporated business; investment income; and capital consumption allowances and miscellaneous valuation adjustments are on a company basis.

Details by industry on capital consumption allowances and miscellaneous valuation adjustments, and the inventory valuation adjustment are not given pending further research, and Tables 22 to 24 are therefore not additive to the above data.

² This group includes ownership of dwellings.

TABLE 22. Wages, Salaries, and Supplementary Labour Income, by Industry, 1959-63¹

Line No.		1959	1960	1961	1962	1963
millions of dollars						
1	Agriculture	182	192	195	201	206
2	Forestry	307	344	304	319	335
3	Fishing and trapping	23	22	25	28	28
4	Mining, quarrying, and oil wells	587	600	578	596	611
5	Manufacturing	5,302	5,474	5,533	5,935	6,291
6	Construction	1,309	1,250	1,288	1,382	1,447
7	Transportation	1,383	1,377	1,410	1,435	1,491
8	Storage	61	60	60	60	66
9	Communication	427	453	475	502	544
10	Electric power, gas, and water utilities	345	356	368	390	416
11	Wholesale trade	1,019	1,074	1,110	1,173	1,253
12	Retail trade	1,592	1,658	1,722	1,800	1,930
13	Finance, insurance, and real estate	771	819	877	933	1,006
14	Public administration and defence ¹	2,201	2,342	2,514	2,652	2,812
15	Service	2,446	2,733	3,080	3,363	3,712
16	Totals	17,955	18,754	19,539	20,769	22,148

¹ Includes military pay and allowances.

TABLE 23. Investment Income, by Industry, 1959-63¹

Line No.		1959	1960	1961	1962	1963
millions of dollars						
1	Agriculture.....	54	57	60	67	71
2	Forestry	11	5	13	18	18
3	Fishing and trapping	—	—	—	1	1
4	Mining, quarrying, and oil wells	346	365	370	417	435
5	Manufacturing	1,742	1,620	1,620	1,861	2,022
6	Construction	133	98	111	93	98
7	Transportation	199	183	185	192	218
8	Storage	15	15	15	12	16
9	Communication	145	165	180	211	213
10	Electric power, gas, and water utilities	411	443	487	522	527
11	Wholesale trade	305	267	252	268	293
12	Retail trade	459	422	430	456	492
13	Finance, insurance, and real estate	1,708	1,895	1,992	1,990	2,199
14	Public administration and defence	—	—	—	—	—
15	Service	279	295	311	341	363
16	Totals.....	5,807	5,830	6,026	6,449	6,966

¹ The total of this table does not agree with the sum of corporation profits; and rent, interest, and miscellaneous investment income in Table 1. Data in Table 1 are on a national concept basis, while the data in this table are on a domestic concept basis. Interest and dividends paid to non-residents are included in this table and interest and dividends received from non-residents are excluded from this table.

TABLE 24. Accrued Net Income of Farm Operators from Farm Production and Net Income of Non-Farm Unincorporated Business, by Industry, 1959-63

Line No.		1959	1960	1961	1962	1963
millions of dollars						
1	Agriculture.....	1,121	1,186	1,009	1,546	1,786
2	Forestry	29	31	31	31	31
3	Fishing and trapping	47	43	46	55	53
4	Mining, quarrying, and oil wells	6	6	6	7	7
5	Manufacturing	173	177	202	215	215
6	Construction	296	253	269	292	315
7	Transportation.....	79	81	84	79	90
8	Storage; communication; and electric power, gas, and water utilities	—	—	—	—	—
9	Retail trade	643	669	647	661	678
10	Wholesale trade.....	62	50	53	53	54
11	Finance, insurance, and real estate	70	61	69	60	62
12	Service	805	842	867	901	946
13	Totals.....	3,331	3,399	3,283	3,900	4,237

TABLE 25. Business Gross Fixed Capital Formation, by Industry, 1959-63^{1,2}

Line No.		1959	1960	1961	1962	1963
millions of dollars						
1	Agriculture ³	539	550	576	663	744
2	Fishing and trapping					
3	Forestry					
4	Mining, quarrying, and oil wells	48	54	50	54	60
5	Manufacturing	342	400	449	480	503
6	Construction	1,144	1,178	1,085	1,269	1,347
7	Transportation	145	130	136	109	116
8	Storage ⁴	746	704	645	490	586
9	Communication					
10	Electric power, gas, and water utilities					
11	Trade	325	377	337	382	437
12	Finance, insurance, and real estate ⁵	766	688	710	723	792
13	Service	363	381	307	319	312
14	Totals	2,001	1,722	1,770	1,875	1,961
15		475	508	570	596	637
16	Totals	6,894	6,692	6,635	6,960	7,495

¹ This table is derived from the publication *Private and Public Investment in Canada*. Additional detail has been provided by the Business Finance Division, DBS, and adjustments have been made to convert the data to national accounting concepts. (See reconciliation statement, Table 54).

² Since 1960, industry detail is based on the revised (1960) Standard Industrial Classification and consequently figures prior to this year for the manufacturing and mining industries are not strictly comparable. For an indication of the magnitude of these changes, see *Private and Public Investment in Canada—Outlook 1962*, page 23.

³ Estimates for Agriculture from 1961 onward are based on the 1958 Farm Income and Expenditure Survey and the 1961 Census of Agriculture. The effect of this benchmark revision on years between 1951-1961 is not published at this time and consequently a break appears in the series between 1960 and 1961. The revised 1960 figure is \$606 million.

⁴ Prior to 1954 grain elevators were included with the electric power, gas and water utilities group. Details for reconciliation of the groups may be found in *Private and Public Investments in Canada* publications.

⁵ Includes new residential construction.

TABLE 26. Value of Physical Change in Inventories, by Industry, 1959-63

Line No.		1959	1960	1961	1962	1963
millions of dollars						
1	Agriculture	- 76	16	- 279	177	313
2	Forestry	27	3	- 13	- 12	- 6
3	Fishing and trapping	—	—	—	—	—
4	Mining, quarrying, and oil wells	- 2	5	10	5	- 20
5	Manufacturing	151	137	96	179	7
6	Construction	11	- 9	3	14	24
7	Transportation	6	- 26	- 17	- 3	- 11
8	Storage					
9	Communication					
10	Electric power, gas, and water utilities	- 18	5	- 2	1	4
11	Trade:					
12	Grain in commercial channels	12	69	- 131	44	- 20
13	Wholesale (excluding grain in commercial channels)	123	18	87	- 15	31
14	Retail	123	192	110	130	130
15	Finance, insurance, and real estate	—	—	4	2	7
16	Service					
17	Totals	357	410	- 132	522	459

TABLE 27. Corporation Profits, by Industry, 1959-63

Line No.		1959	1960	1961	1962	1963
millions of dollars						
1	Agriculture	11	5	15	21	21
2	Forestry					
3	Fishing and trapping					
4	Mining, quarrying, and oil wells	326	348	357	405	422
5	Manufacturing	1,658	1,516	1,533	1,745	1,908
6	Construction	113	78	89	69	72
7	Transportation	134	132	125	114	142
8	Storage	15	14	14	12	15
9	Communication	116	129	138	157	165
10	Electric power, gas, and water utilities	72	85	89	92	76
11	Wholesale trade	272	228	212	230	255
12	Retail trade	256	212	209	217	238
13	Finance, insurance, and real estate	446	510	545	497	525
14	Service	85	81	74	81	81
15	Totals ¹	3,504	3,338	3,400	3,640	3,920

¹ For an analysis of total corporation profits see Table 50.

SECTION C

GEOGRAPHICAL DISTRIBUTION OF PERSONAL INCOME

TABLE 28. Personal Income, Geographical Distribution, 1959 - 63¹

Line No.		1959	1960	1961	1962	1963
millions of dollars						
1	Newfoundland	363	395	429	460	495
2	Prince Edward Island	93	102	102	109	115
3	Nova Scotia	804	848	881	925	970
4	New Brunswick	573	617	637	672	707
5	Quebec	6,353	6,736	7,248	7,749	8,225
6	Ontario	10,566	11,023	11,484	12,227	13,018
7	Manitoba	1,328	1,398	1,392	1,563	1,581
8	Saskatchewan	1,177	1,351	1,131	1,571	1,763
9	Alberta	1,932	2,006	2,122	2,307	2,455
10	British Columbia	2,755	2,850	2,957	3,112	3,317
11	Yukon and Northwest Territories	41	50	49	49	52
12	Foreign Countries ²	51	59	61	73	73
13	Canada	26,036	27,435	28,493	30,817	32,771

¹ Geographical distributions of only the main components of personal income are given in Tables 31 to 35 inclusive: these tables, therefore, do not add to the total of personal income.

² Income of Canadians temporarily abroad including pay and allowances of Canadian Armed Forces abroad.

TABLE 29. Personal Income per Person, Geographical Distribution, 1959 - 63

Line No.		1959	1960	1961	1962	1963
dollars						
1	Newfoundland	823	882	937	979	1,029
2	Prince Edward Island	921	990	971	1,028	1,075
3	Nova Scotia	1,118	1,166	1,195	1,240	1,283
4	New Brunswick	985	1,048	1,065	1,107	1,151
5	Quebec	1,265	1,310	1,378	1,444	1,504
6	Ontario	1,770	1,804	1,842	1,928	2,019
7	Manitoba	1,490	1,543	1,510	1,672	1,664
8	Saskatchewan	1,298	1,477	1,223	1,689	1,890
9	Alberta	1,548	1,554	1,593	1,684	1,747
10	British Columbia	1,758	1,779	1,815	1,876	1,957
11	Yukon and Northwest Territories	1,206	1,389	1,324	1,256	1,333
12	Canada	1,489	1,535	1,562	1,660	1,734

TABLE 30. Personal Disposable Income,¹ Geographical Distribution, 1959-63

Line No.		1959	1960	1961	1962	1963
millions of dollars						
1	Newfoundland	347	375	408	435	469
2	Prince Edward Island	91	98	98	104	109
3	Nova Scotia	765	793	831	871	912
4	New Brunswick	532	574	598	631	662
5	Quebec	5,904	6,213	6,663	7,110	7,541
6	Ontario	9,569	9,908	10,306	10,970	11,680
7	Manitoba	1,224	1,285	1,269	1,432	1,440
8	Saskatchewan	1,100	1,269	1,041	1,466	1,651
9	Alberta	1,792	1,856	1,960	2,129	2,265
10	British Columbia	2,535	2,600	2,701	2,831	3,012
11	Yukon and Northwest Territories	38	45	44	45	47
12	Foreign Countries ²	51	59	61	73	73
13	Canada	23,948	25,075	25,980	28,097	29,861

¹ Personal disposable income consists of total personal income less personal direct taxes.

² Taxes paid by Canadians temporarily abroad cannot be estimated and all direct taxes are allocated to provincial personal incomes only.

TABLE 31. Wages, Salaries, and Supplementary Labour Income,¹ Geographical Distribution, 1959-63

Line No.		1959	1960	1961	1962	1963
millions of dollars						
1	Newfoundland	236	260	286	309	336
2	Prince Edward Island	42	46	52	55	58
3	Nova Scotia	500	528	542	567	602
4	New Brunswick	362	384	404	424	449
5	Quebec	4,447	4,708	4,973	5,318	5,667
6	Ontario	7,349	7,608	7,883	8,417	9,009
7	Manitoba	829	870	897	931	987
8	Saskatchewan	603	621	633	668	714
9	Alberta	1,167	1,215	1,279	1,344	1,415
10	British Columbia	1,873	1,948	1,984	2,090	2,248
11	Yukon and Northwest Territories	38	44	42	44	48
12	Foreign Countries	13	13	14	16	17
13	Canada	17,459	18,245	18,989	20,183	21,550

¹ Excludes military pay and allowances, includes employer and employee contributions to social insurance and government pension funds.

**TABLE 32. Net Income Received by Farm Operators From Farm Production,¹
Geographical Distribution, 1959 - 63**

Line No.		1959	1960	1961	1962	1963
		millions of dollars				
1	Newfoundland	2	2	2	2	2
2	Prince Edward Island	12	13	6	6	6
3	Nova Scotia	13	13	13	11	10
4	New Brunswick	15	22	10	11	10
5	Quebec	182	178	181	191	177
6	Ontario	298	308	333	358	353
7	Manitoba	102	94	51	157	107
8	Saskatchewan	221	305	100	454	596
9	Alberta	228	192	224	285	326
10	British Columbia	53	50	58	66	63
11	Yukon and Northwest Territories	—	—	—	—	—
12	Canada	1,126	1,177	978	1,541	1,650

¹ This item differs from line 6, Table 1, by excluding the adjustment which has been made to take account of the accrued earnings arising out of the operations of the Canadian Wheat Board.

**TABLE 33. Net Income of Non-Farm Unincorporated Business, Geographical Distribution,
1959 - 63**

Line No.		1959	1960	1961	1962	1963
		millions of dollars				
1	Newfoundland	38	41	41	45	47
2	Prince Edward Island	13	13	13	13	13
3	Nova Scotia	84	86	88	90	94
4	New Brunswick	57	58	59	63	65
5	Quebec	500	496	521	547	570
6	Ontario	819	803	823	841	880
7	Manitoba	131	136	136	135	140
8	Saskatchewan	119	128	125	130	136
9	Alberta	181	194	195	206	215
10	British Columbia	266	255	270	282	289
11	Yukon and Northwest Territories	2	3	3	2	2
12	Canada	2,210	2,213	2,274	2,354	2,451

TABLE 34. Interest, Dividends, and Net Rental Income of Persons, Geographical Distribution, 1959 - 63

Line No.		1959	1960	1961	1962	1963
		millions of dollars				
1	Newfoundland	22	23	25	26	29
2	Prince Edward Island	8	8	8	8	9
3	Nova Scotia	64	72	74	79	85
4	New Brunswick	46	49	49	52	56
5	Quebec	612	683	731	791	863
6	Ontario	1, 177	1, 314	1, 381	1, 468	1, 556
7	Manitoba	121	137	142	154	162
8	Saskatchewan	91	112	100	119	138
9	Alberta	171	181	199	212	230
10	British Columbia	286	302	314	334	358
11	Yukon and Northwest Territories	1	1	1	1	1
12	Canada	2, 599	2, 882	3, 024	3, 244	3, 487

TABLE 35. Government Transfer Payments, Excluding Interest, Geographical Distribution, 1959 - 63

Line No.		1959	1960	1961	1962	1963
		millions of dollars				
1	Newfoundland	67	73	78	82	85
2	Prince Edward Island	16	20	20	22	23
3	Nova Scotia	115	126	135	147	148
4	New Brunswick	95	108	119	126	130
5	Quebec	681	776	949	1, 006	1, 065
6	Ontario	956	1, 051	1, 130	1, 202	1, 288
7	Manitoba	147	172	177	198	196
8	Saskatchewan	154	198	187	215	195
9	Alberta	199	241	243	275	281
10	British Columbia	323	351	383	400	416
11	Yukon and Northwest Territories	2	4	4	3	2
12	Foreign Countries	—	—	—	—	—
13	Canada	2, 755	3, 120	3, 425	3, 676	3, 829

SECTION D
GOVERNMENT SUPPLEMENTARY TABLES

TABLE 36. Government Revenue and Expenditure, by Level of Government, 1959 - 63¹
Revenue

Line No.		1959	1960	1961	1962	1963
		millions of dollars				
1	Direct taxes — Persons	2,088	2,360	2,513	2,720	2,910
2	Federal	1,770	2,017	2,132	2,088	2,193
3	Provincial	297	320	355	604	687
4	Municipal	21	23	26	28	30
5	Direct taxes — Corporations²	1,581	1,544	1,600	1,700	1,810
6	Federal	1,310	1,266	1,300	1,270	1,353
7	Provincial ³	271	278	300	430	457
	Withholding taxes:					
8	Federal	74	79	116	125	128
9	Indirect taxes	4,464	4,705	4,963	5,563	5,878
10	Federal	2,125	2,180	2,190	2,401	2,450
11	Provincial	1,043	1,090	1,243	1,521	1,654
12	Municipal	1,296	1,435	1,532	1,641	1,774
13	Investment income	998	1,063	1,134	1,240	1,333
14	Federal	350	382	409	450	467
15	Provincial	413	437	470	509	533
16	Municipal	235	244	255	281	303
17	Employer and employee contributions to social insurance and government pension funds	652	751	787	811	838
18	Federal	414	487	510	518	533
19	Provincial	216	240	251	264	277
20	Municipal	22	24	26	29	28
21	Transfers from other levels of government	1,526	1,725	1,997	2,206	2,328
22	Provinces — From Canada	856	962	1,095	1,090	1,112
23	From municipalities	24	17	15	17	20
24	Municipalities — From Canada	24	32	33	44	53
25	From provinces	622	714	854	1,055	1,143
26	Total revenue	11,383	12,227	13,112	14,365	15,225
27	Federal	6,043	6,411	6,657	6,852	7,154
28	Provincial	3,120	3,344	3,729	4,435	4,740
29	Municipal	2,220	2,472	2,726	3,078	3,331

¹ For total government revenue and expenditure excluding inter-governmental transfers, see Tables 9 and 10.

² For details of tax collections and tax liabilities, see Table 50.

³ See footnote 2, Table 50.

TABLE 37. Government Revenue and Expenditure, by Level of Government, 1959-63¹
Expenditure

Line No.		1959	1960	1961	1962	1963
millions of dollars						
1	Goods and services.....	6,490	6,769	7,259	7,709	8,076
2	Federal ²	2,832	2,730	2,982	3,024	2,927
3	Provincial.....	1,349	1,465	1,479	1,566	1,747
4	Municipal	2,309	2,574	2,798	3,119	3,402
5	Transfer payments to persons (excluding interest on the public debt)	2,755	3,120	3,425	3,676	3,829
6	Federal.....	1,791	1,976	2,006	2,112	2,130
7	Provincial.....	895	1,067	1,316	1,455	1,580
8	Municipal	69	77	103	109	119
9	Interest on the public debt	963	1,095	1,174	1,309	1,414
10	Federal ³	678	753	786	865	935
11	Provincial.....	126	148	167	198	209
12	Municipal	159	194	221	246	270
13	Subsidies	205	235	254	286	313
14	Federal.....	189	209	221	260	275
15	Provincial.....	16	26	33	26	38
16	Transfers to other levels of governments	1,526	1,725	1,997	2,206	2,328
17	Canada—To provinces	856	962	1,095	1,090	1,112
18	To municipalities	24	32	33	44	53
19	Provinces—To municipalities.....	622	714	854	1,055	1,143
20	Municipalities—To provinces	24	17	15	17	20
21	Total expenditure	11,939	12,944	14,109	15,186	15,960
22	Federal.....	6,370	6,662	7,123	7,395	7,432
23	Provincial.....	3,008	3,420	3,849	4,300	4,717
24	Municipal	2,561	2,862	3,137	3,491	3,811
25	Deficit (-) or surplus (+)	- 556	- 717	- 997	- 821	- 735
26	Federal ⁴	- 327	- 251	- 466	- 543	- 278
27	Provincial.....	112	- 76	- 120	135	23
28	Municipal	- 341	- 390	- 411	- 413	- 480
29	Total expenditure minus deficit (or plus surplus) ..	11,383	12,227	13,112	14,365	15,225
30	Federal	6,043	6,411	6,657	6,852	7,154
31	Provincial.....	3,120	3,344	3,729	4,435	4,740
32	Municipal	2,220	2,472	2,726	3,078	3,331

¹ For total government revenue and expenditure excluding inter-governmental transfers, see Tables 9 and 10.

² Defence expenditures included in these figures are as follows: 1959, \$1,559 million; 1960, \$1,546 million; 1961, \$1,613 million; 1962, \$1,678 million; 1963, \$1,576 million.

³ From 1960 interest on the federal public debt is on an accrual basis; prior to 1960 it is on a "due date" basis.

⁴ For the difference between this item and the conventional budgetary surplus or deficit, see reconciliation, Table 53.

TABLE 38. Direct Taxes — Persons, 1959-63

Line No.		1959	1960	1961	1962	1963
millions of dollars						
	Federal:					
1	Income	1,692	1,917	2,050	1,994	2,102
2	Succession duties and estate taxes	76	97	80	93	89
3	Miscellaneous.....	2	3	2	1	2
4	Totals	1,770	2,017	2,132	2,088	2,193
	Provincial:					
5	Income	52	62	81	317	385
6	Motor vehicle licences and permits ¹	58	63	67	72	76
7	Succession duties	54	61	64	73	82
8	Hospital insurance premiums.....	113	113	122	119	120
9	Miscellaneous	20	21	21	23	24
10	Totals	297	320	355	604	687
	Municipal:					
11	Miscellaneous.....	21	23	26	28	30
12	Grand totals	2,088	2,360	2,513	2,720	2,910

¹ Personal share only. The business share is treated as an indirect tax.

TABLE 39. Direct Taxes — Corporations, 1959 - 63

Line No.		1959	1960	1961	1962	1963
		millions of dollars				
	Federal:					
1	Income	1,310	1,266	1,300	1,270	1,353
	Provincial:					
2	Income ¹	253	251	276	395	420
3	Tax on mining and logging profits	18	27	24	35	37
4	Totals	271	278	300	430	457
5	Grand totals	1,581	1,544	1,600	1,700	1,810

¹ See footnote 2, Table 50.

TABLE 40. Indirect Taxes, 1959 - 63

Line No.		1959	1960	1961	1962	1963
		millions of dollars				
	Federal:					
1	Banks and insurance companies	—	—	—	—	—
2	Customs import duties	520	515	515	636	577
3	Excise duties	332	345	358	379	393
4	Excise taxes	1,255	1,304	1,302	1,369	1,462
5	Miscellaneous	18	16	15	17	18
6	Totals	2,125	2,180	2,190	2,401	2,450
	Provincial:					
7	Amusement	22	23	24	25	27
8	Corporation tax (not on profits)	28	22	21	23	23
9	Gasoline	380	398	435	468	521
10	Licenses, fees, and permits	29	28	32	36	34
11	Motor vehicle licences and permits ¹	91	101	107	113	120
12	Miscellaneous taxes on natural resources	132	137	134	151	152
13	Real property	8	8	9	9	10
14	Retail sales tax (including liquor and tobacco) ..	230	238	323	526	576
15	Miscellaneous	123	135	158	170	191
16	Totals	1,043	1,090	1,243	1,521	1,654
	Municipal:					
17	Amusement	2	2	2	2	2
18	Licences, fees, and permits	33	35	33	34	36
19	Real property	1,048	1,159	1,258	1,364	1,479
20	Retail sales tax	74	82	68	54	59
21	Miscellaneous	139	157	171	187	198
22	Totals	1,296	1,435	1,532	1,641	1,774
23	Grand totals	4,464	4,705	4,965	5,563	5,878

¹ Business share only. The personal share is treated as a direct tax.

TABLE 41. Government Investment Income, 1959 - 63

Line No.		1959	1960	1961	1962	1963
millions of dollars						
	Federal:					
1	Interest on government-held public funds	104	106	114	122	139
2	Interest on loans, advances and investments	128	147	151	166	173
3	Profits (net of losses) of government business enterprises	118	129	144	162	185
4	Totals	350	382	409	450	497
	Provincial:					
5	Interest on government-held public funds	60	67	74	81	88
6	Interest on loans, advances and investments	77	90	88	98	103
7	Profits (net of losses) of government business enterprises	276	280	308	330	342
8	Totals	413	437	470	509	533
	Municipal:					
9	Interest on government-held public funds	12	14	16	19	20
10	Interest on loans, advances and investments	34	39	41	48	53
11	Profits (net of losses) of government business enterprises	189	191	198	214	230
12	Totals	235	244	255	281	303
13	Grand totals	998	1,063	1,134	1,240	1,333

TABLE 42. Employer and Employee Contributions to Social Insurance and Government Pension Funds, 1959 - 63

Line No.		1959	1960	1961	1962	1963
millions of dollars						
	Federal:					
1	Public service pensions	210	209	233	233	239
2	Unemployment insurance	204	278	277	285	294
3	Totals	414	487	510	518	533
	Provincial:					
4	Public service pensions	90	105	114	124	135
5	Workmen's compensation	105	114	118	125	130
6	Industrial employees' vacations	21	21	19	15	12
7	Totals	216	240	251	264	277
	Municipal:					
8	Public service pensions	22	24	26	29	28
9	Grand totals	652	751	787	811	838

TABLE 43. Government Expenditure on Goods and Services, 1959-63

Line No.		1959	1960	1961	1962	1963
		millions of dollars				
	Federal:					
1	Wages, salaries, and supplementary labour income	894	937	1,024	1,057	1,123
2	Military pay and allowances	496	509	550	586	598
3	Other purchases of goods and services	1,442	1,284	1,408	1,381	1,206
4	Totals¹	2,832	2,730	2,982	3,024	2,927
	Provincial:					
5	Wages, salaries, and supplementary labour income	557	615	652	700	763
6	Other purchases of goods and services	792	850	827	866	984
7	Totals¹	1,349	1,465	1,479	1,566	1,747
	Municipal:					
8	Wages, salaries, and supplementary labour income	1,080	1,209	1,368	1,494	1,659
9	Other purchases of goods and services	1,229	1,365	1,430	1,625	1,743
10	Totals¹	2,309	2,574	2,798	3,119	3,402
11	Grand totals	6,490	6,769	7,259	7,709	8,076

¹ Includes fixed capital formation by governments. The major portion of this fixed capital formation is in "other purchases of goods and services". A small portion of the total fixed capital formation is also in the line called "wages, salaries, and supplementary labour income" for work done by the governments' own work force. Fixed capital formation by levels of government is shown below:

	1959	1960	1961	1962	1963
	millions of dollars				
Federal	407	372	383	348	302
Provincial	568	612	547	624	669
Municipal	548	586	607	783	846
Totals	1,523	1,570	1,537	1,755	1,817

TABLE 44. Government Transfer Payments Including Interest, 1959-63

Line No.		1959	1960	1961	1962	1963
		millions of dollars				
	Federal:					
1	Family allowances	487	502	517	529	537
2	Re-establishment credits	2	3	2	1	—
3	Rehabilitation benefits	1	1	1	1	1
4	Pensions World Wars I and II ¹	137	136	158	162	159
5	War veterans' allowances	62	64	76	87	89
6	Unemployment insurance benefits	406	482	494	409	394
7	Prairie farm assistance act	21	25	35	30	15
8	Pensions to government employees	56	61	66	76	83
9	Interest on the public debt	678	753	786	865	935
10	Old age security fund payments	571	587	597	713	767
11	Payments to western grain producers	2	40	—	40	—
12	Grants to universities ²	—	29	16	19	26
13	Assistance to immigrants	2	2	2	1	2
14	Miscellaneous	44	44	42	44	57
15	Totals	2,469	2,729	2,792	2,977	3,065
	Provincial:					
16	Direct relief	17	24	33	38	43
17	Workmen's compensation benefits	85	92	94	104	112
18	Old age and blind pensions	80	80	83	100	103
19	Mothers' and disabled persons allowances	73	73	73	80	81
20	Pensions to government employees	35	42	48	53	58
21	Grants to private non-commercial institutions	567	706	935	1,025	1,125
22	Interest on the public debt	126	148	167	198	209
23	Miscellaneous	38	50	50	55	58
24	Totals	1,021	1,215	1,483	1,653	1,789
	Municipal:					
25	Direct relief	44	53	70	74	82
26	Pensions to government employees	7	8	9	10	9
27	Grants to private non-commercial institutions	18	16	24	25	28
28	Interest on the public debt	159	194	221	246	270
29	Totals	228	271	324	355	389
30	Grand totals	3,718	4,215	4,599	4,985	5,243

¹ Excludes pensions paid to non-residents, which are treated as government expenditure on goods and services. The amounts in the terminal years 1959 and 1963 were \$14 million and \$15 million, respectively.

² These consist only of grants made on a per capita basis.

TABLE 45. Subsidies, 1959 - 63

Line No.		1959	1960	1961	1962	1963
		millions of dollars				
	Federal:					
	Agricultural:					
1	Freight assistance on western feed grains	22	20	18	14	17
2	Hog premiums	8	7	7	7	7
3	Agricultural commodities stabilization board loss	58	53	22	72	74
4	Assistance re storage costs on grain	42	46	46	44	36
5	Miscellaneous	—	2	2	1	2
6	Sub-totals	130	128	95	138	136
	Other subsidies:					
7	Emergency gold mines assistance	13	12	12	14	15
8	Maritime Freight Rates Act	14	14	13	13	11
9	Movement of coal	13	17	17	18	19
10	Miscellaneous	19	38	84	77	94
11	Sub-totals	59	81	126	122	139
12	Total federal subsidies	189	209	221	260	275
13	Total provincial subsidies	16	26	33	26	38
14	Grand totals	205	235	254	286	313

TABLE 46. Transfers to Other Levels of Government, 1959 - 63

Line No.		1959	1960	1961	1962	1963
		millions of dollars				
	Federal:					
	To provinces:					
1	Old age and blind pensions	35	35	35	40	43
2	Disabled persons allowances	16	16	16	19	20
3	Statutory grants	21	21	21	25	23
4	Taxation agreements ¹	464	507	510	304	215
5	Health grants	52	47	52	50	47
6	Trans-Canada highway	50	51	42	35	29
7	Government contribution under the Hospital Insurance and Diagnostic Services Act	130	171	265	317	376
8	Unemployment assistance	31	48	80	95	102
9	Technical and vocational training	9	8	10	145	181
10	Other	48	58	64	60	76
11	Sub-totals	856	962	1,095	1,090	1,112
	To municipalities:					
12	Payments to municipalities	24	32	33	44	53
13	Totals	880	994	1,128	1,134	1,165
	Provincial:					
14	To municipalities	622	714	854	1,055	1,143
	Municipal:					
15	To provinces	24	17	15	17	20
16	Grand totals	1,526	1,725	1,997	2,206	2,328

¹ These data are after deduction of refunds to the federal government by the provinces on account of succession duty credits pursuant to the Tax Rental Agreements Act. These amounted to \$12 million in 1959, \$3 million in 1960, \$3 million in 1961, \$2 million in 1962 and \$5 million in 1963.

SECTION E
MISCELLANEOUS TABLES

TABLE 47. Personal Expenditure on Consumer Goods and Services, 1959-63

Line No.		1959	1960	1961	1962	1963
millions of dollars						
1	Food	5,465	5,713	5,817	6,023	6,280
2	Tobacco and alcoholic beverages.....	1,552	1,606	1,682	1,792	1,845
3	Tobacco products and smokers' accessories	683	702	744	798	818
4	Alcoholic beverages	869	904	938	994	1,027
5	Clothing and personal furnishings	2,267	2,355	2,422	2,514	2,628
6	Men's and boys' clothing	500	521	533	561	588
7	Women's and children's clothing	967	998	1,028	1,060	1,109
8	Footwear	284	307	311	320	322
9	Laundry and dry cleaning	180	182	192	209	226
10	Other	336	347	358	364	383
11	Shelter¹	3,442	3,621	3,807	3,999	4,322
12	Gross rents paid by tenants	925	977	1,028	1,081	1,178
13	Expenses (taxes, insurance, etc.) paid by owner-occupants	1,270	1,377	1,505	1,637	1,760
14	Net imputed residential rent and imputed residential capital consumption allowances	999	1,018	1,022	1,022	1,117
15	Other	248	249	252	259	267
16	Household operation	2,873	2,919	3,030	3,132	3,274
17	Fuel.....	441	431	421	432	432
18	Electricity	306	326	347	354	370
19	Gas	93	108	123	140	150
20	Telephone	285	307	333	359	388
21	Furniture.....	324	307	314	326	335
22	Home furnishings	274	274	284	297	320
23	Appliances, radios and television sets	512	489	490	494	510
24	Other	638	677	718	730	769
25	Transportation	2,723	2,807	2,873	3,099	3,340
26	Street-car, railway and other fares	402	414	418	442	454
27	New automobiles, used automobiles (net) and house trailers	1,233	1,257	1,262	1,436	1,643
28	Automotive operating expenses	1,088	1,136	1,193	1,221	1,243
29	Personal and medical care and death expenses	1,769	1,925	2,044	2,209	2,379
30	Medical and dental care	370	395	415	458	488
31	Hospital care, private duty nursing, accident and sickness insurance, prepaid medical care	719	818	906	1,005	1,112
32	Other	680	712	723	746	779
33	Miscellaneous	2,500	2,594	2,776	2,971	3,162
34	Motion picture theatres ²	68	65	62	61	62
35	Newspapers and magazines	220	227	243	250	264
36	Net expenditure abroad.....	255	252	210	95	40
37	Other	1,957	2,050	2,261	2,565	2,796
38	Grand totals	22,591	23,540	24,451	25,739	27,230
39	Durable goods	2,678	2,664	2,716	2,930	3,207
40	Major durable goods ³	2,344	2,327	2,350	2,553	2,808
41	Miscellaneous durable goods ⁴	334	337	366	377	399
42	Non-durable goods⁵	11,373	11,813	12,171	12,839	13,379
43	Services^{5,6}	8,540	9,063	9,564	9,970	10,644

¹ Excludes transients' shelter.² Excludes amusement taxes.³ Includes house trailers, new automobiles, net expenditure on used automobiles, home furnishings, furniture and appliances, radios and television sets.⁴ Includes jewellery, watches, clocks, silverware, toys, sporting and wheeled goods, and tools and garden equipment.⁵ The items electricity and gas (items 18 and 19 above) are now classified to non-durable goods and not to services. This treatment differs from that used in *National Accounts, Income and Expenditure, 1926-1956*.⁶ Includes net expenditure abroad.

**TABLE 48. Personal Expenditure on Consumer Goods and Services in Constant (1957) Dollars
1959-63^{1,2}**

Line No.		1959	1960	1961	1962	1963
millions of dollars						
1	Food	5,314	5,535	5,582	5,667	5,755
2	Tobacco and alcoholic beverages	1,485	1,514	1,573	1,655	1,697
3	Clothing and personal furnishings	2,229	2,291	2,322	2,385	2,427
4	Shelter	3,281	3,419	3,584	3,752	4,042
5	Household operation ^{3,4}	2,808	2,851	2,971	3,054	3,171
6	Transportation	2,616	2,684	2,779	3,003	3,242
7	Personal and medical care and health expenses	1,650	1,760	1,855	1,957	2,062
8	Miscellaneous	2,328	2,348	2,429	2,520	2,620
9	Grand totals	21,711	22,402	23,095	23,993	25,016
10	Durable goods	2,592	2,582	2,686	2,904	3,167
11	Non-durable goods, ^{3,4}	11,091	11,460	11,718	12,207	12,499
12	Services ^{3,4,5}	8,028	8,360	8,691	8,882	9,350

¹ These data are given on a 1949 time base in Table 58 in order to provide continuity with Table 48 in *National Accounts, Income and Expenditure, 1926-1956*.

² Annual data for the period from 1947 to 1954, on a 1957 time base, are available on request.

³ Personal expenditure on electricity and gas in constant (1957) dollars were as follows:

	1959	1960	1961	1962	1963
millions of dollars					
	395	424	457	482	507

⁴ See footnote 5, Table 47.

⁵ Includes net expenditure abroad.

TABLE 49. Imputed Items Included in Gross National Expenditure, 1959-63¹

Line No.		1959	1960	1961	1962	1963
millions of dollars						
Expenditure on consumer goods and services:						
Food:						
1	Farm consumed farm produce	171	173	157	159	161
2	Other ²	102	104	101	107	111
Shelter:						
3	Imputed net residential rent and imputed residential capital consumption allowances	999	1,018	1,022	1,022	1,117
4	Imputed lodging, non-residential ³	37	37	37	39	41
5	Other ⁴	206	242	256	260	274
6	Total of imputed items in consumer expenditure	1,515	1,574	1,573	1,587	1,704
Government expenditure on goods and services:						
7	Imputed gross rent on government-owned buildings	220	235	250	263	282
8	Total of imputed items	1,735	1,809	1,823	1,850	1,986

¹ All these items are also included in the various components of Gross National Product.

² Includes food issued to members of the armed forces and to employees in lieu of wages.

³ Lodging in bunk houses, ships, hotels, etc., furnished to employees in lieu of wages.

⁴ Includes clothing issued to the armed forces, wood fuel cut and used on farms, and estimated services rendered by banks without specific charge.

TABLE 50. Analysis of Corporation Profits, 1959-63

Line No.		1959	1960	1961	1962	1963
		millions of dollars				
1	Corporation profits before taxes and before dividends paid to non-residents	3,504	3,338	3,400	3,640	3,920
2	Deduct: Corporation income tax liabilities ^{1 2}	- 1,581	- 1,544	- 1,600	- 1,700	- 1,810
3	Federal excess of tax liabilities over collections	143	- 98	33	- 24	25
4	Provincial excess of tax liabilities over collections	13	- 24	16	69	10
5	Federal tax collections ³	1,167	1,364	1,267	1,294	1,328
6	Provincial tax collections	258	302	284	361	447
7	Corporation profits after taxes	1,923	1,794	1,800	1,940	2,110
8	Deduct: Dividends paid to non-residents	- 501	- 458	- 586	- 570	- 593
9	Corporation profits retained in Canada	1,422	1,336	1,214	1,370	1,517
10	Deduct: Dividends paid to Canadian persons	- 393	- 459	- 449	- 491	- 509
11	Charitable contributions from corporations	- 43	- 40	- 40	- 44	- 44
12	Undistributed corporation profits	986	837	725	835	964

¹ Includes elective tax on undistributed income of \$6 million in 1959 and 1960, \$5 million in 1961 and \$7 million in 1962 and 1963.

² For the years prior to 1958, provincial corporation income taxes are on a collections basis; from 1958 on they are on a liabilities basis.

³ Federal tax collections now exclude taxes collected from the proprietary corporations of the federal government which became taxable in 1952. Adjusted estimates for the years 1955 *et seq.* were published for the first time in *National Accounts, Income and Expenditure 1962*.

TABLE 51. Capital Consumption Allowances and Miscellaneous Valuation Adjustments by "Form of Organization", 1959-63

Line No.		1959	1960	1961	1962	1963
		millions of dollars				
1	Corporations	2,303	2,426	2,508	2,702	2,827
2	Individuals and unincorporated business	1,507	1,572	1,606	1,661	1,744
3	Government business enterprises	394	425	460	502	553
4	Capital consumption allowances and miscellaneous valuation adjustments ¹	4,204	4,423	4,574	4,865	5,124

¹ Including net bad debt allowances (charges less recoveries) as follows:

1959	1960	1961	1962	1963
millions of dollars				
50	52	53	54	56

SECTION F
RECONCILIATION STATEMENTS

TABLE 52. Accrued Net Income of Farm Operators from Farm Production, 1959-63
Reconciliations Statement

Line No.		1959	1960	1961	1962	1963
		millions of dollars				
1	Net income of farm operators from farming operations ¹	1, 199	1, 340	1, 075	1, 679	1, 716
2	Deduct: Amounts included in investment income ²	- 51	- 52	- 57	- 59	- 60
3	Deduct: Transfer payments ³	- 22	- 77	- 36	- 70	- 15
4	Other adjustments ⁴	-	- 34	- 4	- 9	9
5	Equals: Net income received by farm operators from farm production	1, 126	1, 177	978	1, 541	1, 650
6	Adjustment on grain transactions ⁵	- 5	9	31	5	136
7	Accrued net income of farm operators from farm production⁶	1, 121	1, 186	1, 009	1, 546	1, 786

¹ These figures are published by the Agriculture Division, Dominion Bureau of Statistics.

² Includes corporation profits in agriculture and imputed net rent of owner-occupied houses.

³ These items are deducted since transfer payments are excluded from Net National Income at factor cost. Includes payments made under the provisions of the Prairie Farm Assistance Act, Western Grain Producers' Acreage Payment Plan, Federal-Provincial Emergency Unthreshed Grain Assistance Act, and payments to P.E.I. potato growers for losses to the 1960 potato crop.

⁴ These adjustments consist of an estimate of net income of farm operators from farming operations in Newfoundland and an adjustment for the difference in the valuation of the physical change in inventories. The Agriculture Division values the change in the quantity of farm held grain at average annual prices, whereas the National Accounts estimates value this quantity change each quarter in terms of average quarterly prices. In addition, revisions have been made which have not yet been incorporated by the Agriculture Division.

⁵ Since the National Income measures earnings arising out of current production rather than receipts of income, it is appropriate to include in Table 1 income accruing to farm operators from farm production rather than income received. Accordingly, an adjustment has been made to take account of the accrued earnings of farm operators arising out of the operations of the Canadian Wheat Board.

⁶ See also line 6, Table 1.

TABLE 53. Federal Government Surplus or Deficit, 1959-63
Reconciliation of Federal Government Transactions Related to the National Accounts with
Public Accounts Data

Line No.		1959	1960	1961	1962	1963
		millions of dollars				
Revenue						
1	Total budgetary revenue as per Public Accounts of Canada for fiscal years ended March 31	4, 755	5, 290	5, 618	5, 730	5, 879
2	Adjustment of budgetary revenue from fiscal to a calendar year basis	- 425	- 286	- 86	- 151	- 166
3	Non-relevant budgetary items omitted	- 21	- 26	- 22	- 22	- 21
4	Budgetary revenue items offset against expenditure per contra	- 96	- 100	- 94	- 105	- 111
5	Budgetary expenditure items offset against revenue per contra	- 231	- 235	- 268	- 284	- 278
Extra-budgetary receipts - Pension and social insurance funds:						
6	Old age security fund taxes	490	609	624	681	725
7	Employer and employee contributions to social insurance and government pension funds	414	487	510	518	533
8	Interest receipts of social insurance and government pension funds	104	106	114	122	139
9	Prairie Farm Assistance Act levy	7	7	7	8	9
10	Excess of corporation tax accruals over collections	143	- 98	33	- 24	25
11	Other adjustments	53	85	49	77	88
12	Total revenue as per National Accounts	6, 043	6, 411	6, 637	6, 852	7, 154
Expenditure						
13	Total budgetary expenditure as per Public Accounts of Canada for fiscal years ended March 31	5, 364	5, 703	5, 958	6, 521	6, 570
14	Adjustment of budgetary expenditure from fiscal to a calendar year basis	391	211	332	- 7	107
15	Non-relevant budgetary items omitted ¹	- 248	- 60	- 50	- 79	- 150
16	Budgetary revenue items offset against expenditure per contra	- 96	- 100	- 94	- 105	- 111
17	Budgetary expenditure items offset against revenue per contra	- 231	- 235	- 268	- 284	- 278
18	Transfers to extra-budgetary funds	- 58	- 68	- 65	- 105	- 66
Extra-budgetary expenditures - Pension and social insurance funds:						
19	Old age security payments	571	588	603	721	775
20	Unemployment insurance benefits	406	482	494	409	394
21	Pensions to government employees	56	61	66	76	83
22	Prairie Farm Assistance Act payments	20	25	35	30	15
23	Transfers to various Crown agencies and funds	- 177	- 231	- 232	- 152	- 260
24	Expenditures by various Crown agencies and funds	248	229	205	240	266
25	Amortization of special contributions to government pension funds	37	37	31	20	18
26	Other adjustments	87	20	108	110	69
27	Total expenditure as per National Accounts	6, 370	6, 662	7, 123	7, 395	7, 432
Surplus or deficit						
28	Budgetary surplus or deficit as per Public Accounts of Canada (line 1 minus line 13)	- 609	- 413	- 340	- 791	- 691
29	Difference of total adjustments to revenue and expenditure items above	282	162	- 126	248	413
30	Surplus or deficit as per National Accounts (line 12 minus line 27)	- 327	- 251	- 466	- 543	- 278

¹ Includes capital assistance to industry of \$1 million in 1959, \$2 million in 1960, \$3 million in 1961, \$22 million in 1962 and \$56 million in 1963.

TABLE 54. Business Gross Fixed Capital Formation, 1959-63
Reconciliation Statement

Line No.		1959	1960	1961	1962	1963
		millions of dollars				
1	Total private and public investment in Canada¹.....	8,417	8,262	8,172	8,715	9,312
2	Deduct: New residential construction by governments ^{2,3}	- 18	- 13	- 9	- 10	- 8
3	New non-residential construction by governments ³	- 1,368	- 1,420	- 1,368	- 1,562	- 1,625
4	New machinery and equipment outlays by governments ³	- 137	- 137	- 160	- 183	- 184
5	Business gross fixed capital formation	6,894	6,692	6,635	6,960	7,495

¹ As published in the annual reports *Public and Private Investment in Canada-Outlook*

² Excluding residential construction under Veterans' Land Act, construction of veterans' rental housing by Central Mortgage and Housing Corporation and joint federal-provincial housing (Section 36, National Housing Act), which are included in line 5.

³ Included in "government fixed capital formation", line 4, Table 2.

TABLE 55. Exports and Imports of Goods and Services, 1959-63¹
Reconciliation Statement

Line No.		1959	1960	1961	1962	1963
		millions of dollars				
	Exports of goods and services:					
1	Merchandise exports	5,150	5,392	5,889	6,364	7,064
2	Gold production available for export	148	162	162	165	166
3	Interest and dividends received from non-residents	182	173	209	211	228
4	Other receipts from services rendered to non-residents	1,375	1,426	1,509	1,649	1,768
5	Sub-total: "Current receipts" as per <i>Canadian Balance of International Payments</i>	6,855	7,153	7,769	8,389	9,226
6	Adjustments - Mutual aid to NATO countries	- 63	- 43	- 35	- 41	- 23
7	Inheritances and immigrants' funds	- 109	- 102	- 103	- 124	- 149
8	Total "exports of goods and services" as per National Accounts²	6,683	7,008	7,631	8,224	9,054
	Imports of goods and services:					
9	Merchandise imports	5,572	5,540	5,716	6,209	6,580
10	Interest and dividends paid to non-residents	671	653	770	781	842
11	Other payments for services rendered by non-residents	2,116	2,203	2,265	2,247	2,325
12	Sub-total: "Current payments" as per <i>Canadian Balance of International Payments</i>	8,359	8,396	8,751	9,237	9,747
13	Adjustments - Mutual aid to NATO countries	- 63	- 43	- 35	- 41	- 23
14	Inheritances and emigrants' funds	- 165	- 181	- 174	- 163	- 182
15	Total "imports of goods and services" as per National Accounts²	8,131	8,172	8,542	9,033	9,542

¹ Data sources are mainly reports on the *Canadian Balance of International Payments* (National Accounts and Balance of Payments Division, Dominion Bureau of Statistics). Figures include mutual aid to NATO countries.

² See also Table 2.

TABLE 56. Gross National Expenditure in Constant (1949) Dollars, 1959 - 63¹

Line No.		1959	1960	1961	1962	1963
millions of dollars						
1	Personal expenditure on consumer goods and services	17,392	17,945	18,501	19,220	20,040
2	Government expenditure on goods and services	4,155	4,197	4,407	4,498	4,489
3	<i>Current expenditure</i>	3,055	3,067	3,240	3,270	3,294
4	<i>Gross fixed capital formation</i>	1,109	1,141	1,175	1,239	1,201
5	<i>Adjusting entry</i>	- 9	- 11	- 8	- 11	- 6
6	Business gross fixed capital formation	4,575	4,345	4,272	4,369	4,581
7	<i>New residential construction</i>	1,157	937	941	989	1,033
8	<i>New non-residential construction</i>	1,683	1,637	1,698	1,634	1,692
9	<i>New machinery and equipment</i>	1,735	1,770	1,627	1,744	1,856
10	<i>Adjusting entry</i>	-	1	6	2	-
11	Change in inventories	308	361	- 121	451	392
12	<i>Non-farm business inventories</i>	334	262	220	226	128
13	<i>Farm inventories and grain in commercial channels</i>	- 91	86	- 486	258	327
14	<i>Adjusting entry</i>	65	13	145	- 33	- 63
15	Exports of goods and services	5,574	5,806	6,240	6,522	7,096
16	Deduct: Imports of goods and services	- 6,776	- 6,743	- 6,845	- 6,938	- 7,126
17	Residual error of estimate	22	28	63	151	160
18	Adjusting entry	- 8	- 90	- 51	- 190	- 252
19	Gross National Expenditure in constant (1949) dollars	25,242	25,849	26,466	28,083	29,380
20	Index, line 19, 1949=100	154.4	158.2	161.9	171.8	179.8

¹ The price indexes from 1959 to 1963, shown in Table 6, were converted to a 1949 base using 1956 as the year of overlap between old and new series. They were then divided into the current dollar figures of Table 2, to give the constant (1949) dollar series shown above. This procedure was followed in the case of Gross National Expenditure, line 19, as well as the major components. It may be noted that this procedure yields year-to-year movements in the constant dollar series which are identical with those shown in Table 5. However, a small residual difference, produced by the change in the major group weighting pattern, is entered to make the components add up to the Gross National Expenditure in constant (1949) dollars as determined in this way.

TABLE 57. Implicit Price Indexes - Gross National Expenditure, 1959 - 63¹
(1949 = 100.0)

Line No.		1959	1960	1961	1962	1963
1	Personal expenditure on consumer goods and services	129.9	131.2	132.2	133.9	135.9
2	Government expenditure on goods and services	156.2	161.3	164.7	171.4	179.9
3	<i>Current expenditure</i>	162.6	169.5	176.6	182.1	190.0
4	<i>Gross fixed capital formation</i>	137.3	137.6	130.8	141.6	151.3
5	Business gross fixed capital formation	150.7	154.0	155.3	159.3	163.6
6	<i>New residential construction</i>	149.9	154.0	155.0	159.5	165.0
7	<i>New non-residential construction</i>	153.8	157.4	158.0	161.4	166.1
8	<i>New machinery and equipment</i>	148.2	151.0	153.3	157.4	160.5
9	Exports of goods and services	119.9	120.7	122.3	126.1	127.6
10	Imports of goods and services	120.0	121.2	124.8	130.2	133.9
11	Residual error of estimate	139.1	141.2	142.0	144.5	147.3
12	Gross National Expenditure at market prices	138.3	140.4	141.3	143.6	146.4

¹ These implicit indexes are currently weighted price indexes. They reflect not only pure price changes, but also changing expenditure patterns within and between major groups. The implicit price index for Gross National Expenditure is derived by dividing the total of current dollars by the total of constant dollars.

TABLE 58. Personal Expenditure on Consumer Goods and Services in Constant (1949) Dollars, 1959 - 63¹

Line No.		1959	1960	1961	1962	1963
millions of dollars						
1	Food	4,485	4,671	4,711	4,783	4,857
2	Tobacco and alcoholic beverages	1,372	1,398	1,453	1,529	1,567
3	Clothing and personal furnishings	2,020	2,076	2,104	2,161	2,199
4	Shelter	2,059	2,146	2,249	2,354	2,536
5	Household operation ^{2,3}	2,391	2,428	2,530	2,601	2,700
6	Transportation	2,149	2,205	2,283	2,467	2,663
7	Personal and medical care and death expenses	1,149	1,226	1,292	1,363	1,436
8	Miscellaneous	1,730	1,745	1,805	1,872	1,947
9	Adjusting entry	37	50	74	90	135
10	Grand totals	17,392	17,945	18,501	19,220	20,040
11	Durable goods	2,262	2,254	2,344	2,535	2,764
12	Non-durable goods ^{2,3}	9,659	9,980	10,205	10,630	10,885
13	Services ^{2,3,4}	5,416	5,639	5,863	5,992	6,307
14	Adjusting entry	55	72	89	63	84

¹ See footnote 1, Table 56.

² Personal expenditure on electricity and gas in constant (1949) dollars were as follows:

1959	1960	1961	1962	1963
millions of dollars				
347	372	401	423	445

³ See footnote 5, Table 47.

⁴ Includes net expenditure abroad.

APPENDIX

TABLE I. Population of Canada, by Provinces, 1959-63

Estimated as of June 1

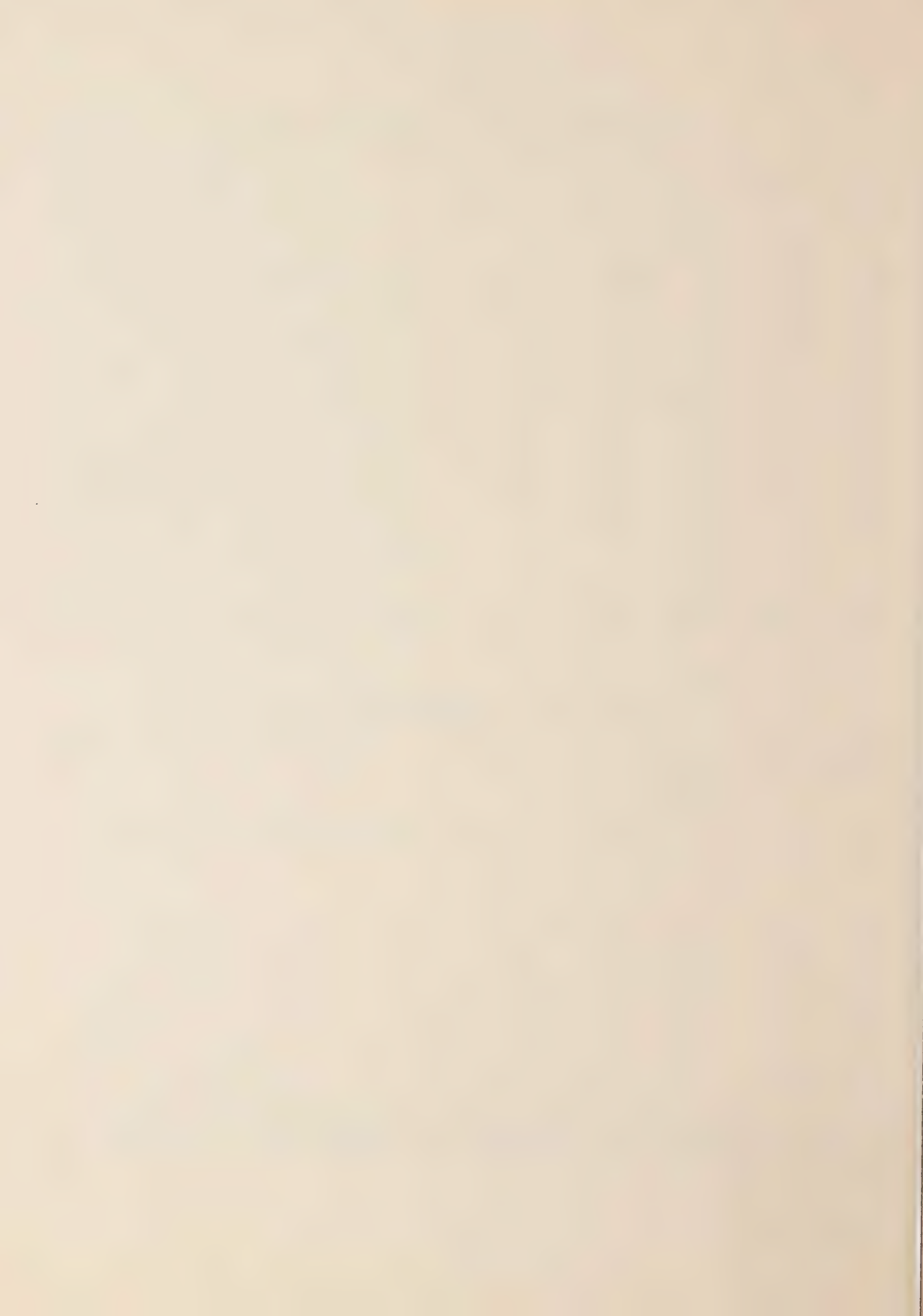
Line No.		1959	1960	1961	1962	1963
		thousands				
1	Newfoundland	441	448	458	470	481
2	Prince Edward Island	101	103	105	106	107
3	Nova Scotia	719	727	737	746	756
4	New Brunswick	582	589	598	607	614
5	Quebec	5,024	5,142	5,259	5,366	5,468
6	Ontario	5,969	6,111	6,236	6,342	6,448
7	Manitoba	891	906	922	935	950
8	Saskatchewan	907	915	925	930	933
9	Alberta	1,248	1,291	1,332	1,370	1,405
10	British Columbia	1,567	1,602	1,629	1,659	1,695
11	Yukon	13	14	14	15	15
12	Northwest Territories	21	22	23	24	24
13	Canada	17,483	17,870	18,238	18,570	18,896

TABLE II. The Civilian Labour Force, 1959-63¹

Line No.		1959	1960	1961	1962	1963
		thousands				
1	Civilian non-institutional population, 14 years of age and over	11,562	11,789	12,010	12,224	12,466
	Civilian labour force:					
	Employed:					
2	Non-agricultural	5,163	5,280	5,375	5,564	5,723
3	Agricultural	692	675	674	653	641
4	Total employed	5,855	5,955	6,049	6,217	6,364
5	Unemployed	373	448	469	391	373
6	Total civilian labour force ²	6,228	6,403	6,518	6,608	6,737

¹ Incorporates new definitions of "Employed" and "Unemployed". For earlier years see *The Labour Force*, Catalogue No. 71-001, (Special Surveys Division, Dominion Bureau of Statistics).

² The number of persons in the regular Armed Forces not included in these totals is as follows: 1959-120,000 persons; 1960-119,000 persons; 1961-121,000 persons; 1962-126,000 persons; 1963-123,000 persons. The figures are monthly averages.



CATALOGUE No.

13-201

ANNUAL



NATIONAL ACCOUNTS
INCOME AND EXPENDITURE

1964

DOMINION BUREAU OF STATISTICS

National Accounts and Balance of
Payments Division



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National Accounts, Income and Expenditure, 1926-1956. This is the basic reference document, and presents final data for the years 1926-54.

National Accounts, Income and Expenditure, 1962 for the years 1955-58.

Revisions to primary source data for the years 1961, 1962 and 1963 have been incorporated into this publication.

June 1965.



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THE YEAR 1964 REVIEW

Introduction

Gross National Expenditure reached \$47.0 billion in 1964, compared with \$43.2 billion in 1963. This gain of nearly 9 per cent was the largest annual advance since 1956. With prices almost 2½ per cent higher, the increase in terms of constant dollars was 6½ per cent. Western grain crops, though large, were considerably below the exceptional harvest of 1963, with the result that the rate of increase in non-farm output exceeded that in output as a whole.

The pace of expansion was uneven through the year. An upsurge in the first quarter was associated with special circumstances: the government's winter housebuilding incentive programme; forward buying of certain capital goods in anticipation of the progressive imposition of the sales tax; and huge sales of wheat following the contract entered into with the U.S.S.R. With these special factors absent or not present in the same degree, the pace of expansion was more moderate during the rest of the year.

The expansion in 1964 was broadly based, with all the components of final demand contributing to the gain in the total. In addition, a rising rate of business stock-building was adding to the demands on the nation's production until the closing quarter of the year and the annual figure substantially exceeded that of 1963. However, with outlays for business capital goods up 18 per cent, the strongest forward impetus came from the investment sector; expenditures for plant and equipment made a major

gain, reflecting larger programmes in a wide range of industries; housing reached new records in units started, completed and under construction.

Consumer markets were buoyant; spending rose almost 7½ per cent, one of the largest gains in recent years. The demand for durables was unusually strong, although the rate of increase in sales of cars was not as high as in the two previous years.

The international climate favoured the expansion of trade despite a slowing down in the rate of growth in some overseas countries during the course of the year. In addition to a major increase in the already high level of wheat shipments, there were substantial gains in exports of a wide variety of export products. Exports of goods and services were up 15 per cent. The high and rising level of economic activity in Canada, particularly in the investment sector, contributed to a 13 per cent rise in imports of goods and services. The further narrowing of the deficit on current international transactions due to the increased surplus on merchandise trade was one of the notable developments of the year.

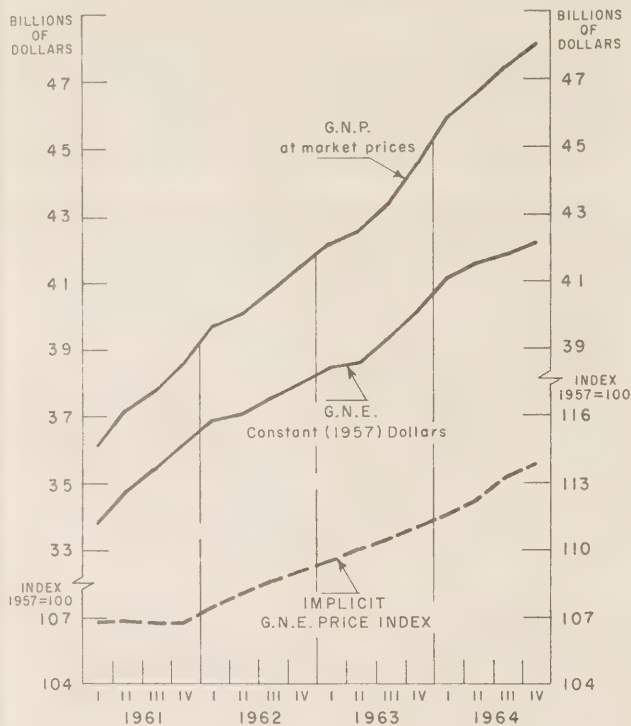
Government purchases of goods and services were appreciably higher than in the previous year, paced by a close to 10 per cent increase at the provincial-municipal level. Federal purchases of goods and services which amount to a little over half those of other levels of government, were 3½ per cent higher. Other government expenditure which, although not directly a part of Gross National Product, contributes indirectly to final demand by

Changes in Components of Gross National Expenditure and Other Data

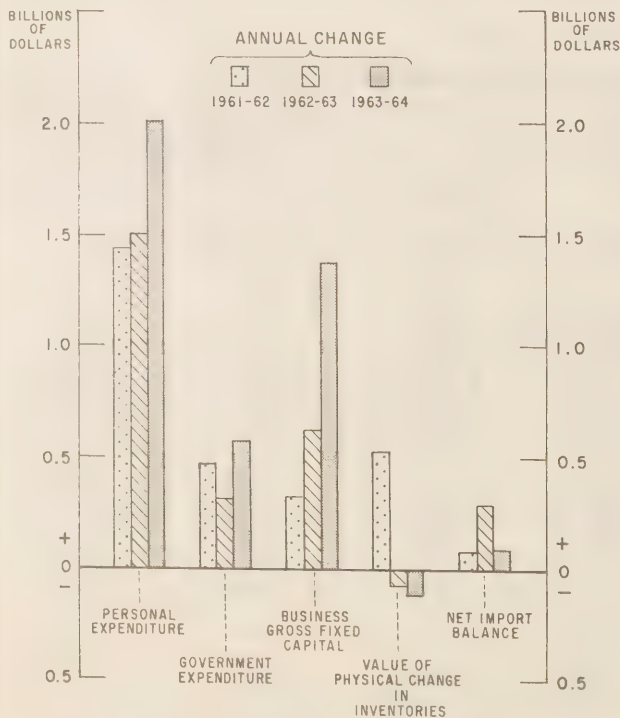
	Per cent changes in year-to-year		Per cent changes over the year (Seasonally adjusted)	
	1962 to 1963	1963 to 1964	4Q. '62 to 4Q. '63	4Q. '63 to 4Q. '64
Gross National Expenditure	6.5	8.9	7.4	7.6
Personal expenditure	5.8	7.3	6.6	7.1
Government expenditure	4.1	7.3	4.4	8.3
Business gross fixed capital	9.1	18.1	13.5	16.7
Business inventories	(\$-135m.)	(\$ 310m.)	(\$ 476m.)	(\$-452m.)
Farm inventories	(\$ 69m.)	(\$-421m.)	(\$-272m.)	(\$ 112m.)
Exports of goods and services	9.9	15.0	15.4	6.9
Imports of goods and services	5.7	13.2	14.8	9.2
Net National Income	6.5	7.6	6.5	7.3
Wages and salaries	6.5	8.7	7.6	8.8
Corporation profits before taxes ¹	6.6	14.6	7.6	16.6
Rent, interest, etc.	7.7	5.9	2.4	6.0
Accrued farm income	15.2	-14.7	15.9	-22.3
Other unincorporated business income	4.0	4.7	5.2	3.5
Personal disposable income	5.9	5.8	6.1	5.4
Net personal saving	(\$ 153m.)	(\$-285m.)	(n.c.)	(\$-364m.)

¹ Before deducting dividends paid to non-residents.

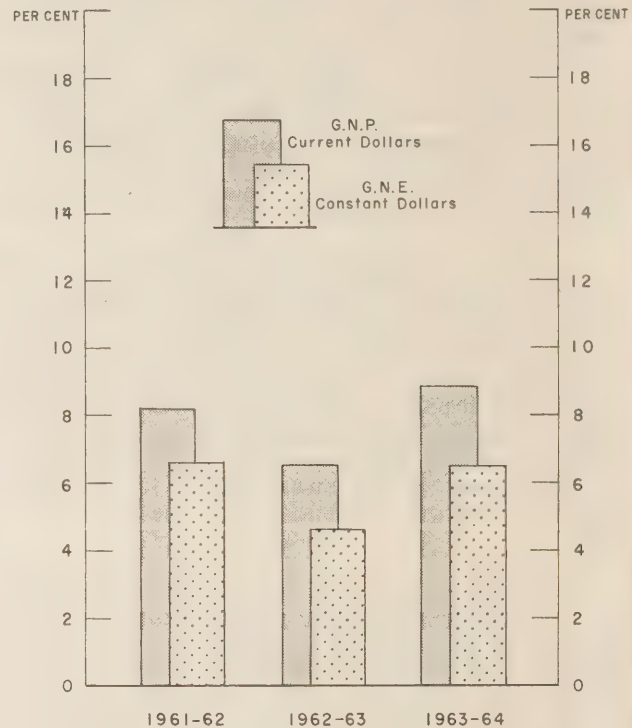
G.N.P. in the final quarter of 1964
advanced by 1.3 per cent



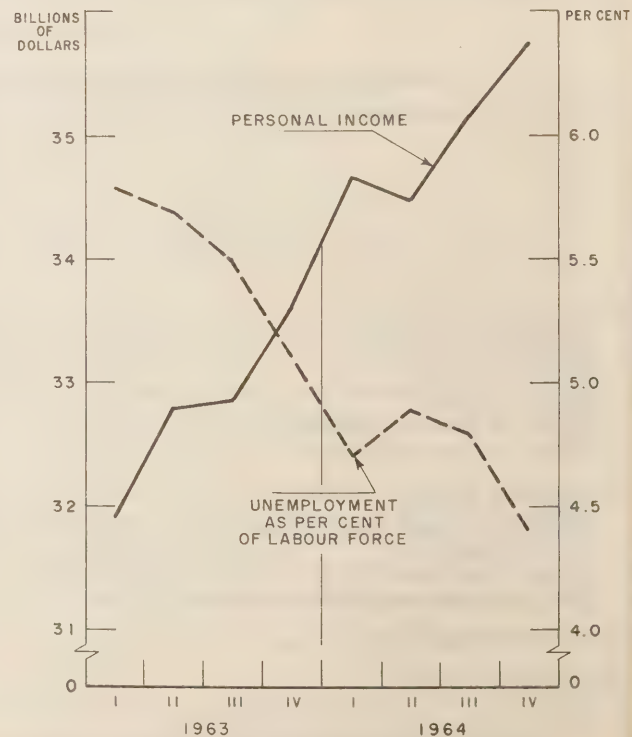
The main supports for the sustained growth
came from business capital spending
and consumers.



.....to give an annual increase of
close to 9 per cent, of which price increases
accounted for almost 2½ per cent.



Continued gains in personal income and
declining unemployment reflected the
economic strength in 1964.



DATA IN THE ABOVE CHARTS ARE SEASONALLY ADJUSTED AT ANNUAL RATES.

supporting expenditure by other sectors, rose by 8 per cent. Government revenues rose more sharply than expenditures and the government sector as a whole came into virtual balance, with the federal deficit shifting to a surplus for the first time since 1957 and the provincial-municipal deficit remaining unchanged.

The salient developments on the income side were a nearly 9 per cent rise in labour income, the largest since 1956, and despite a mixed quarterly movement, with some easing in the summer quarters, an increase in corporation profits of nearly 15 per cent for the year. Farm income reflected the drop in crop production from the exceptionally high level of the previous year.

The changes in expenditure and income described above were associated with an expansion in employment of 3.6 per cent in 1964 and a drop in the average rate of unemployment from 5.5 to 4.7 per cent of the labour force; the growth in non-agricultural employment was 4.3 per cent. By the end of the year the rate of unemployment had fallen to 4.0 per cent from 4.9 per cent a year earlier.

Price Movements

With overall prices increasing by a little more than 2 per cent, approximately three fourths of the 9 per cent increase in the value of GNP between the

years 1963 and 1964 represented a gain in real terms. The following table compares percentage changes in value, volume and price between 1962-1963 and 1963-1964. As indicated in the table, overall prices increased by slightly more in 1964 than in the preceding year. Prices of consumer goods and services advanced by $1\frac{1}{2}$ per cent in both years, while prices of investment goods, affected by the progressive implementation of the federal sales tax on production machinery and building materials, increased by 3.6 per cent in 1964 as compared with 2.6 per cent in 1963. The price component of exports of goods and services advanced by a little over 2 per cent in 1964, while prices of imported goods and services increased by less than 2 per cent during the same period.

The increase of $1\frac{1}{2}$ per cent in prices of consumer goods and services reflected diverse movements within the main components of this aggregate. Prices of durable goods declined by 1 per cent, reflecting a decrease of about $2\frac{1}{2}$ per cent in the prices of new cars. Non-durable goods prices advanced by close to 2 per cent, with clothing and food prices increasing by 3 and $1\frac{1}{2}$ per cent respectively. Prices of the service component rose by about 2 per cent with rather widespread advances in all the main components other than rents, which advanced only slightly.

Per Cent Changes – Value, Volume, and Prices

	1962 to 1963			1963 to 1964		
	Value	Volume	Price ¹	Value	Volume	Price ¹
Personal expenditure	5.8	4.3	1.5	7.3	5.8	1.5
Non-durable goods, ex. food	4.0	3.1	0.9	7.5	5.4	2.0
Non-durable goods – Total	4.2	2.5	1.7	6.3	4.5	1.7
Durable goods	9.2	8.8	0.4	10.4	11.5	- 1.1
Services	6.8	5.3	1.5	7.8	5.5	2.2
Government expenditure	4.1	—	4.1	7.3	4.4	2.6
Business gross fixed capital formation	9.1	6.3	2.6	18.1	14.0	3.6
New residential construction	8.2	4.6	3.5	18.4	12.0	5.7
New non-residential construction	7.5	4.7	2.6	17.9	14.7	2.7
New machinery and equipment	11.1	8.7	2.2	18.2	14.6	3.2
Exports of goods and services	9.9	8.6	1.1	15.0	12.4	2.3
Total final demand	6.7	4.6	1.9	10.2	7.9	2.2
Imports of goods and services	5.7	2.8	2.9	13.2	11.3	1.7
Gross national expenditure	6.5	4.6	1.8	8.9	6.5	2.3

¹ Implicit price indexes.

Production by Industry

Real domestic product, less agriculture, for the year 1964 was almost 7 per cent above its 1963 levels, thus surpassing its post-war average annual rate of growth of about $4\frac{1}{2}$ per cent. Most industry groups in 1964 maintained or bettered their post-war

growth rates. The largest single contributor to the gain in the total was manufacturing, with an 8 per cent increase, followed by transportation and trade, which increased by 10 and 6 per cent respectively. Construction also had a particularly good year, the 1964 increase of 10 per cent being the highest since 1956.

Components of Demand

Consumer Expenditure

Reflecting particularly strong advances in the first and third quarter, personal expenditure in 1964 rose almost 7½ per cent above the level of 1963. This gain, one of the largest in recent years, was 1½ percentage points higher than obtained the previous year. With prices higher by 1½ per cent on consumer purchases the real growth amounted to 6 per cent.

All components shared in the notably strong demand for durables, particularly furniture, appliances and radios and home furnishings which showed sizeable gains; a reflection in part of the strong demand for housing. The 11½ per cent increase in the net purchases of new and used cars was below the 14 per cent exhibited during the previous two years, possibly resulting from the interruption in supplies due to work stoppages in the industry in the final quarter of the year; new purchases of cars contributed more than one half to the growth in

durables. Purchases of cars of overseas manufacture increased sharply, reversing a downward trend evident for the past few years.

Purchases of non-durable goods increased more than 6 per cent over 1963 with increases in food and clothing providing the main impetus. Moderate increases were also registered in sales of alcoholic beverages and tobacco. Purchases of fuel and gas declined fractionally.

The growth of almost 8 per cent in expenditure on services accounted for roughly 40 per cent of the increase in total spending. Increases of approximately 8 per cent were registered in personal services and personal care, while outlays on recreation grew by 7 per cent. Shelter expenses rose almost 6 per cent, down from an 8 per cent increase in the previous year. Part of the growing demand for services was attributable to substantially higher outlays in 1964 by Canadians travelling abroad.

Personal Expenditure – Per Cent Changes

	1962 to 1963	1963 to 1964
Total non-durables	4.2	6.3
Food	4.2	5.1
Clothing (including footwear)	3.9	6.3
Total durables	9.2	10.4
New and used cars	14.4	11.5
Total goods	5.1	7.1
Total services	6.8	7.8
Total personal expenditure	5.8	7.3

Business Gross Fixed Capital Formation

Spending on fixed capital in 1964 totalled about \$9 billion, up 18 per cent from 1963. Based on 1957 prices, the compound rate of growth was some 13 per cent, the highest since 1956. There were marked increases in the opening quarter associated with sharply rising outlays for housing and machinery and equipment; higher expenditures for all three components were evident in the fourth quarter. The upsurge in spending at the year-end carried the fourth quarter level to an annual rate 4½ per cent above the yearly average.

Residential capital formation at \$2 billion was over 18 per cent higher than in 1963. Dwelling starts, completions and units under construction at

year-end set new records. The number of building starts amounted to 165,700, surpassing the previous record of 164,600 made in 1958. Completions increased over 1963 levels by 18 per cent to about 151,000 units. Dwellings under construction increased from 96,600 at the end of 1963 to 107,700 at the end of 1964.

About nine tenths of the expansion in housing starts was in multiple dwellings, mostly in urban areas. Changes in housing activity have been attributed to the ready availability of mortgage money, to special winter house-building incentive programmes, to demographic factors and perhaps to the increased attractiveness of apartment accommodation.

Growth Rate¹ – Business Gross Fixed Capital Formation in Constant (1957) Dollars

Average annual rates

	Final Year											
	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	
First year												First year
1953	- 5.3	0.5	7.3	6.6	3.9	2.6	1.5	1.1	1.2	1.7	2.7	1953
1954		6.2	13.6	10.6	6.1	4.1	2.6	2.0	2.0	2.4	3.5	1954
1955			21.1	12.8	6.1	3.6	1.8	1.3	1.4	2.0	3.2	1955
1956				4.5	- 1.4	- 2.2	- 3.0	- 2.7	- 1.9	- 0.7	1.0	1956
1957					- 7.2	- 5.6	- 5.4	- 4.5	- 3.2	- 1.6	0.5	1957
1958						- 3.9	- 4.6	- 3.6	- 2.1	- 0.5	1.8	1958
1959							- 5.2	- 3.4	- 1.5	0.4	2.9	1959
1960								- 1.7	0.3	2.2	4.9	1960
1961									2.3	4.2	7.1	1961
1962										6.1	9.6	1962
1963											13.1	1963

¹ The growth rates are the average annual changes of the natural logarithms of the figures for the first and last years of the periods specified.

Non-residential building and engineering capital formation advanced by about 18 per cent to \$3.3 billion. About half of the gains were in utility projects, notably in the electric power, urban transit and railway industries. Very large expansions occurred in manufacturing by the paper, transportation, equipment and primary metal industries; in mining by petroleum and oil wells and by iron mines; and in the financial industries by real estate companies. The industrial composition of 1964 private construction differed from that of 1963 in that there was a significantly smaller relative share for trade and commercial services.

Producers' durable equipment spending moved 18 per cent higher than in 1963 to \$3.6 billion. Some two thirds of the gain was in manufacturing with large investment programmes by the paper, primary metal, textile and transportation equipment industries. Other major gains were in agriculture and the railway industry. The industrial composition of 1964 machinery and equipment outlays differed from 1963 in that there was a significantly larger relative share for manufacturing and reduced shares for utilities and agriculture.

Investment intentions as published in "Private and Public Investment in Canada—Outlook 1965" call for an increase in 1965 of 12 per cent to \$10.1 billion, with outlays for housing up 11 per cent and for plant and equipment up about 13 per cent from 1964. The industrial composition of planned 1965 spending differs from 1964 in that there is a larger relative share for manufacturing, institutions and real estate companies, and a smaller share for mining and agriculture.

Non-farm Business Inventories

Stock accumulation amounted to \$510 million during the year. Although this was by far the biggest annual increase during the current economic expansion, the inventory held by business did not appear high in relation to output. Stocks were built up at a steadily rising rate during the first three quarters of the year but the rate of increase fell sharply in the fourth quarter. Four fifths of the increase occurred in manufacturing and retail inventories. Wholesale stocks increased also, but at a much lower rate.

Change in Non-farm Business Inventories, Years 1963 and 1964

	1963	1964	1964 minus 1963
	millions of dollars		
Manufacturing ¹	40	216	176
Durables	23	143	120
Non-durables	17	73	56
Wholesale	31	77	46
Retail	143	199	56
"Other" industries	- 14	18	32
Grand total	200	510	310

¹ The split into durable and non-durable is based on the nature of the principal product manufactured.

The major part of the accumulation of inventories in manufacturing in 1964 compared with 1963 took place in the durable goods industries, in particular in the transportation equipment, metal fabricating and electrical goods industries; other changes among durables were small and to some extent offsetting. Among non-durables, much the most important change was in the newsprint industry which shifted from depletion in 1963 to accumulation in 1964. For manufacturing as a whole the stock-to-shipments ratio at the end of the year was the same as that of a year earlier.

All the increase in the rate of accumulation in stocks in wholesale trades is accounted for by the durable lines; the movements in the non-durable trades were mixed and offsetting. The stock-to-sales ratio for all wholesale industry at the end of the year was lower than a year earlier.

In retail trades there were opposing changes in the rate of build-up of stocks as between durables and non-durables. Durables were built up at a much reduced rate and non-durables at a much higher rate. This development in durables was largely the result

of a curtailment in supply to new car dealers in the latter part of the year when strikes occurred in the automobile manufacturing industry in the United States and subsequently in Canada. At the end of the year, the stock-to-sales ratio for all retail trades was higher than a year earlier.

Exports and Imports of Goods and Services

The deficit in Canada's external account on a National Accounts basis fell from \$524 million to \$428 million in 1964, the smallest deficit recorded since 1954. The change of \$96 million resulted from an increase in the surplus in merchandise trade of \$197 million partly offset by a rise of \$101 million in the deficit on non-merchandise trade. About three quarters of the latter can be attributed to a turnabout from a surplus to a deficit in the travel account. Higher deficits in the interest and dividends account (at record levels for both receipts and payments) and the miscellaneous account (government expenditure, business and other services) and a drop in gold production available for export offset an improvement in the freight and shipping account.

Exports and Imports of Goods and Services

	Goods			Services			Current balance
	Exports	Imports	Net	Exports	Imports	Net	
	millions of dollars						
1961	5,889	5,716	173	1,742	2,826	- 1,084	- 911
1962	6,380	6,203	177	1,879	2,879	- 1,000	- 823
1963	7,082	6,579	503	1,995	3,022	- 1,027	- 524
1964	8,238	7,538	700	2,202	3,330	- 1,128	- 428
1963-64 per cent change	16.3	14.6		10.4	10.2		

Massive shipments of wheat to the USSR and other Communist countries were a special factor in the 16 per cent rise in merchandise exports. Other gains were made in zinc, nickel, copper, iron ore and concentrates, newsprint paper, wood pulp, aircraft (after allowance for progress payments and deliveries), cars and trucks, motor vehicle parts, fish, barley, petroleum, farm and non-farm machinery, lumber and natural gas. The changes in exports of the ten leading commodities are shown in the table below.

Available import statistics suggest strength in Canadian demand for imported non-farm machinery,

automobile parts, tractors, engines, automobiles, and plate, sheet and strip steel.

Merchandise trade figures used in the National Accounts differ somewhat from the published "Trade of Canada" totals. The effect of these adjustments in 1964 has been to reduce the export balance shown in the "Trade of Canada" report by over \$100 million. The difference results mainly from reductions in wheat and military aircraft receipts which were recorded in the previous year in the National Accounts.

Domestic Exports

	1963	1964	Per cent change ¹
	millions of dollars		
Main Commodities:			
Wheat ²	811	988	21.8
Newsprint paper	760	835	9.8
Wood pulp	405	461	13.7
Lumber, softwood	427	450	5.3
Iron ores and concentrates	271	356	31.4
Aluminum and alloys	303	318	5.0
Petroleum, crude	234	262	12.0
Aircraft and parts ³	108	249	—
Nickel and alloys	175	197	12.4
Copper and alloys	166	190	14.4

¹ Based on unrounded figures.

² Adjusted for National Accounts use.

³ Before allowance for progress payments and deliveries.

The Government Sector

Total revenues of all governments combined, (excluding inter-governmental transfers), increased by over 12½ per cent to a level of \$14.6 billion over the 1963 level of \$13.0 billion. Total expenditures increased less sharply, by 7½ per cent, to a level of \$14.6 billion, resulting in a significant narrowing of the combined deficit (on a National Accounts basis) from \$632 million in 1963 to \$20 million in 1964. The improvement in the deficit position came at the federal level as the federal government with an increase in its revenues more than double that of its expenditures, moved from a deficit of \$292 million in 1963 to a surplus of \$328 million in 1964, the first annual surplus recorded since 1957. The deficit at the provincial-municipal level changed little as revenues and expenditures increased by similar amounts.

The continued buoyancy and expansion of activity in the economy in 1964 was reflected in the advances of all components of total government revenues.

Total indirect tax revenue rose by 13 per cent with the federal and the provincial-municipal governments sharing almost equally in the absolute increase. The major part of the gain at the federal level was in excise taxes, due in part to increases in the sales tax rate on production machinery and building materials imposed during the year. Provincial revenues from gasoline and sales taxes rose by almost 20 per cent; the increase was associated with a higher volume of sales and some upward revision in tax rates. Rates of tax on gasoline and fuel oil were increased in Ontario and Manitoba; the general sales tax rate was increased from 4 to 6 per cent in Quebec. The gain in property taxes accounts for most of the rise at the municipal level, but it was tempered somewhat by the decline in returns from

retail sales taxes attributable to the withdrawal of Quebec municipalities from the sales tax field in April, 1964, in favour of the province.

Total corporate and personal direct taxes reached a level of \$5.4 billion, an increase of 14 per cent from 1963. Reflecting the sustained improvement in the employment positions and rising incomes, total revenue from federal and provincial personal income taxes was 18 per cent higher than in 1963. Accentuating the rise in federal personal income tax revenues was an increase from 3 per cent to 4 per cent (to a maximum of \$120 per taxpayer) in the levy on personal income on behalf of the Old Age Security Fund. There was an increase from 17 per cent to 18 per cent, effective January 1, 1964, in the abatement of the income tax in favour of the provinces under the terms of the federal-provincial fiscal arrangements which increased the share of provincial income tax revenue.

Investment income accruing to government rose by almost 10½ per cent, with the largest increase occurring in trading profits of government enterprises. At the federal level, investment income increased by 9 per cent. Increased trading profits of power commissions and utilities accounted for more than half of the increase at the provincial-municipal level.

Total expenditures of all levels of governments advanced by over 7½ per cent or \$1.1 billion from 1963 to 1964 with over two thirds of the gain occurring at the provincial-municipal level. Provincial-municipal expenditures on goods and services rose sharply by over 9 per cent. On the other hand, federal outlays on goods and services showed a modest increase of 3½ per cent which was accounted for by an increase of \$127 million in non-defence outlays and a decline of \$24 million in defence goods and services.

Per Cent Change in Government Expenditure and Revenue

	1962 to 1963	1963 to 1964
Government expenditure:		
Goods and services	4.1	7.3
Transfer payments to persons	2.9	8.4
Interest on public debt	9.1	7.9
Subsidies	6.5	1.9
Totals ¹	4.3	7.5
Government revenue:		
Direct taxes - Persons	6.6	17.0
Direct taxes - Corporations	7.0	9.2
Withholding taxes	1.6	10.2
Indirect taxes	5.6	13.1
Investment income	9.5	10.4
Employer-employee contributions	4.3	5.3
Totals ¹	6.3	12.6

¹ Excludes inter-governmental transfers.

There was a gain of almost 8½ per cent over 1963 in the total of transfer payments to persons (excluding interest on the public debt). At the federal level, higher old age security payments, which were increased from \$65 to \$75 per month late in 1963, and the introduction of the new youth allow-

ances more than offset a decline in the payments of unemployment insurance benefits. At the provincial-municipal level, substantial increases in payments under hospital insurance plans and for education accounted for the bulk of the increase.

Income Flows

Labour Income

Labour income for 1964 was estimated at \$23.4 billion, nearly 9 per cent higher than in 1963 and is the largest year-to-year gain recorded since 1956. Income in the goods-producing and in the service-producing industries rose at approximately the same rates.

Wages and salaries in the goods-producing industries advanced 9.0 per cent from 1963 to 1964. The largest increase in this group, about 11½ per cent, occurred in construction although substantial gains of almost 9 per cent were also made in manufacturing.

The service-producing industries aggregate of wages and salaries for 1964 was up nearly 9 per cent over 1963. Finance and service recorded a gain of over 11 per cent and trade advanced close to 9 per cent. Wages and salaries in government non-military employment and also in the transportation, communication and other utilities industries rose by 6.0 per cent from 1963 to 1964.

These gains in labour income were associated with a rise in the number of employed paid workers of nearly 4½ per cent. Available evidence does not suggest much change in hours worked.

Investment Income

Corporation profits (before taxes and before dividends paid to non-residents) continued to increase to a new record level in 1964. After a very strong first quarter, profits dipped in the second and third quarters but recovered and increased sharply, by 11½ per cent, in the fourth. For the year as a whole, profits rose to \$4.6 billion or over 14½ per cent above the annual level for 1963. Most industries showed substantial increases, the exceptions being textiles, transportation equipment and public utilities where profits declined. The profits of mining, quarrying and oil wells rose over 30 per cent. Production of the metal industries advanced substantially, as did the profits of primary metal industries, metal fabricators, and machinery, each increasing by about 20 per cent. Other increases were shown by transportation, near 40 per cent, wholesale trade, finance and service each approximately 15 per cent. The weakening of the transportation equipment industry in the fourth quarter was caused by strikes and production stoppages, the annual decline attaining 10 per cent.

Rent, interest and miscellaneous investment income rose by 6 per cent over the \$3.1 billion in 1963 to reach a level of \$3.3 billion in 1964, mainly because of the rise in trading profits of government business enterprises and increased receipts from withholding taxes.

Net Income of Non-farm Unincorporated Business

Net income of non-farm unincorporated business increased in 1964 to a level of \$2,587 million, about 5 per cent above the 1963 figure. The largest gain, over 13 per cent, was in the construction industry which contributed more than one third of the increase in the total. Marked increases were also registered in service and finance industries.

Accrued Net Income of Farm Operators from Farm Production

Accrued net income of farm operators from farm production in 1964 was \$1,472 million, close to 15 per cent lower than the record level attained in 1963, but nearly 18 per cent higher than the 1954-1963 average. The largest part of the decrease can be attributed to a marked decline in the value of grain

production; the value of the crop in 1964 is estimated at \$1,133 million, \$248 million less than in 1963.

Farm cash income, the largest component of farm net income, reached an all time high level of \$3,456 million, 8½ per cent above the 1963 previous record. Major items contributing to the increase were wheat, flax, dairy products and potatoes. Offsetting the increase in farm cash income was a decline in farm grain inventories. Gross income declined 3 per cent.

Farm operating expenses showed a further increase above the previous record level reached in 1963. The increase, 4 per cent, was somewhat lower than the past ten-year average. Contributing to the increase in farm operating expenses were higher payments for fertilizers, interest on debts, operation of farm machinery including repair, livestock feed, and farm labour.

Farm Income

	1963	1964	Change 1964 1963	Per cent change 1964 1963
millions of dollars				
Farm cash income.....	3,185	3,456	271	8.5
Income-in-kind.....	357	371	14	3.9
Farm inventory change.....	311	- 99	- 410	-
Gross income.....	3,853	3,728	- 125	- 3.2
Deduct:				
Farm operating expenses.....	1,880	1,953	73	3.9
Depreciation	327	349	22	6.7
Add:				
Adjustment on grain transactions ¹	138	110	- 28	-
Other adjustments.....	- 59	- 64	- 5	-
Accrued net income of farm operators	1,725	1,472	- 253	- 14.7

¹ This adjustment takes account of the undistributed profits of the Canadian Wheat Board.

Percentage Distribution of Gross National Expenditure, 1959-64

Line No.		1959	1960	1961	1962	1963	1964
1	Personal expenditure on consumer goods and services	64.7	64.9	65.2	63.8	63.4	62.6
2	Durable goods	7.7	7.3	7.3	7.3	7.5	7.6
3	Non-durable goods	32.6	32.6	32.4	31.9	31.2	30.5
4	Services	24.4	25.0	25.5	24.6	24.7	24.5
5	Government expenditure on goods and services	18.6	18.7	19.4	19.0	18.6	18.3
6	Federal	8.1	8.1	8.0	7.5	6.8	6.4
7	Provincial	3.9	3.9	3.9	3.8	4.0	4.2
8	Municipal	6.6	6.7	7.5	7.7	7.8	7.7
9	Business gross fixed capital formation	19.8	18.4	17.7	17.2	17.6	19.1
10	New residential construction	5.0	4.0	3.8	3.9	4.0	4.3
11	New non-residential construction	7.4	7.1	7.2	6.5	6.5	7.1
12	New machinery and equipment	7.4	7.3	6.7	6.8	7.1	7.7
13	Value of physical change in inventories	1.0	1.1	—	1.4	1.1	0.8
14	Non-farm business inventories	1.2	0.9	1.1	0.8	0.5	1.0
15	Farm inventories and grain in commercial channels	- 0.2	0.2	- 1.1	0.6	0.6	- 0.2
16	Exports of goods and services	19.1	19.3	20.4	20.3	21.1	22.2
17	Imports of goods and services	- 23.3	- 22.5	- 22.8	- 22.4	- 22.3	- 23.1
18	Residual error of estimate	0.1	0.1	0.1	0.7	0.5	0.1
19	Gross National Expenditure	100.0	100.0	100.0	100.0	100.0	100.0

Percentage Distribution of National Income by Distributive Shares, 1959-64

Line No.		1959	1960	1961	1962	1963	1964
1	Wages, salaries, and supplementary labour income	65.9	66.5	67.2	66.0	66.0	66.6
2	Military pay and allowances	1.9	1.9	1.9	1.9	1.8	1.7
3	Corporation profits before taxes	11.3	10.5	10.1	10.4	10.4	11.1
4	Rent, interest, and miscellaneous investment income	8.8	9.0	9.4	9.4	9.5	9.3
5	Accrued net income of farm operators from farm production	4.2	4.3	3.6	4.9	5.3	4.2
6	Net income of non-farm unincorporated business	8.4	8.1	8.1	7.7	7.5	7.4
7	Inventory valuation adjustment	- 0.5	- 0.3	- 0.3	- 0.3	- 0.5	- 0.3
8	Net National Income at factor cost	100.0	100.0	100.0	100.0	100.0	100.0

Percentage Distribution of Gross Domestic Product at Factor Cost, by Industry, 1959-64

Line No.		1959	1960	1961	1962	1963	1964
1	Agriculture	5.3	5.4	4.7	5.8	6.1	5.2
2	Forestry	1.2	1.2	1.1	1.1	1.0	1.0
3	Fishing and trapping	0.3	0.3	0.3	0.3	0.3	0.3
4	Mining, quarrying, and oil wells	4.3	4.4	4.3	4.3	4.1	4.1
5	Manufacturing	26.6	26.1	25.5	25.8	25.7	26.3
6	Construction	6.0	5.4	5.5	5.4	5.3	5.4
7	Transportation	6.8	6.5	6.5	6.2	6.0	6.1
8	Storage	0.3	0.3	0.3	0.2	0.3	0.3
9	Communication	2.2	2.3	2.4	2.4	2.4	2.5
10	Electric power, gas, and water utilities	3.2	3.3	3.4	3.3	3.2	3.2
11	Wholesale trade	4.8	4.7	4.6	4.6	4.7	4.7
12	Retail trade	9.4	9.3	9.3	8.9	8.8	8.9
13	Finance, insurance, and real estate	10.2	10.5	10.6	10.3	10.5	10.4
14	Public administration and defence	7.1	7.2	7.5	7.4	7.3	7.1
15	Service	12.3	13.1	14.0	14.0	14.3	14.5
16	Totals	100.0	100.0	100.0	100.0	100.0	100.0

Percentage Distribution of Personal Income by Source, 1959-64

Line No.		1959	1960	1961	1962	1963	1964
1	Wages, salaries, and supplementary labour income ¹	64.5	63.8	63.8	62.7	63.1	64.3
2	Military pay and allowances	1.9	1.8	1.9	1.9	1.8	1.6
3	Net income received by farm operators from farm production	4.3	4.3	3.4	4.8	4.8	3.9
4	Net income of non-farm unincorporated business	8.5	8.1	8.0	7.7	7.6	7.4
5	Interest, dividends, and net rental income of persons	10.0	10.5	10.6	10.7	10.8	10.7
6	Transfer payments (excluding interest)	10.8	11.5	12.3	12.2	11.9	12.1
7	Totals	100.0	100.0	100.0	100.0	100.0	100.0

¹ Excludes employer and employee contributions to social insurance and government pension funds.

Selected Per Person Income and Product Series in Current and Constant Dollars, 1959-64

Line No.		1959	1960	1961	1962	1963	1964
Current dollars							
1	Gross National Product	1,997	2,031	2,055	2,184	2,285	2,444
2	Personal Income	1,489	1,535	1,564	1,667	1,735	1,821
3	Personal Disposable Income	1,370	1,403	1,426	1,520	1,581	1,643
4	Personal Expenditure on Consumer Goods and Services	1,292	1,317	1,341	1,395	1,451	1,530
Constant (1957) dollars							
5	Gross National Expenditure	1,910	1,914	1,924	2,015	2,072	2,167
6	Personal Expenditure on Consumer Goods and Services	1,242	1,254	1,267	1,301	1,333	1,385

SECTION A
INCOME AND EXPENDITURE ACCOUNTS

1. Summary Tables

TABLE 1. National Income and Gross National Product, 1959-64

Line No.		1959	1960	1961	1962	1963	1964
millions of dollars							
1	Wages, salaries, and supplementary labour income	17,459	18,245	18,996	20,233	21,546	23,416
2	Military pay and allowances	496	509	550	586	598	583
3	Corporation profits before taxes ¹	3,504	3,338	3,427	3,750	3,996	4,580
4	Deduct: Dividends paid to non-residents	- 501	- 458	- 586	- 584	- 613	- 685
5	Rent, interest, and miscellaneous investment income	2,315	2,470	2,670	2,871	3,093	3,277
6	Accrued net income of farm operators from farm production ²	1,121	1,186	1,008	1,498	1,725	1,472
7	Net income of non-farm unincorporated business ³	2,210	2,213	2,274	2,376	2,472	2,587
8	Inventory valuation adjustment ⁴	- 122	- 70	- 89	- 113	- 195	- 121
9	Net National Income at factor cost	26,482	27,433	28,250	30,617	32,622	35,109
10	Indirect taxes less subsidies	4,259	4,470	4,696	5,273	5,568	6,331
11	Capital consumption allowances and miscellaneous valuation adjustments	4,204	4,423	4,540	4,914	5,172	5,607
12	Residual error of estimate	- 30	- 39	- 15	- 243	- 182	- 44
13	Gross National Product at market prices	34,915	36,287	37,471	40,561	43,180	47,003

¹ Prior to the 1961 annual publication this item was shown after deduction of dividends paid to non-residents; it is now however inclusive of such dividends. In order to derive series consistent with those published on the old basis, lines 3 and 4 must be combined.

² Includes changes in farm inventories in millions of dollars as follows:

1959	- 76	1962	176
1960	16	1963	311
1961	- 278	1964	- 99

An adjustment has been made to take account of the accrued earnings of farm operators arising out of the operations of the Canadian Wheat Board. (See footnote 5, Table 52.)

³ Includes net income of independent professional practitioners.

⁴ See footnote 5, Table 2.

TABLE 2. Gross National Expenditure, 1959-64

Line No.		1959	1960	1961	1962	1963	1964
millions of dollars							
1	Personal expenditure on consumer goods and services	22,591	23,540	24,466	25,913	27,416	29,431
2	Government expenditure on goods and services ¹	6,490	6,769	7,236	7,710	8,024	8,607
3	Current expenditure ²	4,967	5,199	5,699	5,955	6,222	6,748
4	Gross fixed capital formation ³	1,523	1,570	1,537	1,755	1,802	1,859
5	Business gross fixed capital formation ⁴	6,894	6,692	6,635	6,960	7,591	8,968
6	New residential construction	1,734	1,443	1,458	1,577	1,707	2,021
7	New non-residential construction	2,589	2,577	2,683	2,638	2,835	3,343
8	New machinery and equipment	2,571	2,672	2,494	2,745	3,049	3,604
9	Value of physical change in inventories ⁵	357	410	30	557	491	380
10	Non-farm business inventories	421	325	439	335	200	510
11	Farm inventories and grain in commercial channels	- 64	85	- 409	222	291	- 130
12	Exports of goods and services ⁶	6,683	7,008	7,631	8,259	9,077	10,440
13	Deduct: Imports of goods and services	- 8,131	- 8,172	- 8,542	- 9,082	- 9,601	- 10,868
14	Residual error of estimate	31	40	15	244	182	45
15	Gross National Expenditure at market prices	34,915	36,287	37,471	40,561	43,180	47,003

¹ Includes defence expenditure which is shown in footnote 2, Table 37.

² Also includes net purchases of government commodity agencies and the defence production revolving fund. Excludes shipments of previously produced military equipment to NATO countries, but includes replacements of new equipment.

³ Includes outlay on new durable assets such as building and highway construction by governments, other than government business enterprises (for detail see footnote 1, Table 43, and lines 2, 3 and 4, Table 54).

⁴ Includes capital expenditures by private and government business enterprises, private non-commercial institutions, and outlays on new residential construction by individuals and business investors. Total "Private and Public Investment in Canada" can be obtained by adding lines 4 and 5.

⁵ The book value of inventories is deflated to remove the effect of price changes and the derived "physical" change is then valued at average prices of the current period to obtain the value of physical change. The difference between this value of physical change and the change in book value is called the inventory valuation adjustment (see line 8, Table 1).

⁶ Excludes shipments of military equipment to NATO countries under the Defence Appropriation Act. See also Table 55.

TABLE 3. Relation between Net National Income at Factor Cost, Personal Income, Personal Disposable Income, and Personal Net Saving, 1959-64

Line No.		1959	1960	1961	1962	1963	1964
millions of dollars							
1	Net National Income at factor cost	26,482	27,433	28,250	30,617	32,622	35,109
2	Add: Transfer payments (excluding interest on the public debt and charitable contributions from corporations) ¹	2,755	3,120	3,441	3,729	3,838	4,159
3	Add: Interest on the public debt ¹	963	1,095	1,170	1,302	1,420	1,532
4	Deduct: Earnings not paid out to persons ²	- 4,164	- 4,213	- 4,339	- 4,692	- 5,087	- 5,781
5	Equals: Personal income	26,036	27,435	28,522	30,956	32,793	35,019
6	Deduct: Personal direct taxes	- 2,088	- 2,360	- 2,511	- 2,730	- 2,911	- 3,407
7	Equals: Personal disposable income	23,948	25,075	26,011	28,226	29,882	31,612
8	Deduct: Personal expenditure on consumer goods and services	- 22,591	- 23,540	- 24,466	- 25,913	- 27,416	- 29,431
9	Equals: Personal net saving	1,357	1,535	1,545	2,313	2,466	2,181
10	Value of physical change in farm inventories	- 76	16	- 278	176	311	- 99
11	Personal saving excluding change in farm inventories	1,433	1,519	1,823	2,137	2,155	2,280

¹ Since National Income excludes transfer payments and personal income includes them, items 2 and 3 are added back here. However, charitable contributions from corporations are not added since they are included in National Income.

² This item includes: undistributed corporation profits, corporation profits taxes, withholding taxes, government investment income, adjustment on grain transactions, inventory valuation adjustment, and employer and employee contributions to social insurance and government pension funds.

TABLE 4. Relation between Gross National Product at Market Prices and Gross Domestic Product at Factor Cost, 1959-64

Line No.		1959	1960	1961	1962	1963	1964
millions of dollars							
1	Gross National Product at market prices	34,915	36,287	37,471	40,561	43,180	47,003
2	Deduct: Residual error of estimate	30	39	15	243	182	44
3	Indirect taxes less subsidies	- 4,259	- 4,470	- 4,696	- 5,273	- 5,568	- 6,331
4	Income received from non-residents	- 182	- 173	- 209	- 202	- 223	- 287
5	Add: Income paid to non-residents	671	653	770	794	869	960
6	Gross domestic product at factor cost	31,175	32,336	33,351	36,123	38,440	41,389

TABLE 5. Gross National Expenditure in Constant (1957) Dollars, 1959-64^{1,2}

Line No.		1959	1960	1961	1962	1963	1964
		millions of dollars					
1	Personal expenditure on consumer goods and services	21,711	22,402	23,105	24,157	25,185	26,634
2	Government expenditure on goods and services	6,205	6,268	6,562	6,795	6,797	7,099
3	Current expenditure	4,623	4,641	4,885	4,942	4,972	5,230
4	Gross fixed capital formation	1,582	1,627	1,677	1,853	1,825	1,869
5	Business gross fixed capital formation	6,562	6,231	6,125	6,265	6,657	7,592
6	New residential construction	1,633	1,323	1,328	1,397	1,461	1,636
7	New non-residential construction	2,473	2,404	2,494	2,399	2,512	2,881
8	New machinery and equipment	2,456	2,504	2,303	2,469	2,684	3,075
9	Change in inventories	338	397	29	524	461	353
10	Non-farm business inventories	414	325	433	309	190	485
11	Farm inventories and grain in commercial channels	- 76	72	- 404	215	271	- 132
12	Exports of goods and services	6,610	6,884	7,379	7,751	8,418	9,463
13	Deduct: Imports of goods and services	- 8,058	- 8,020	- 8,132	- 8,306	- 8,538	- 9,503
14	Residual error of estimate	30	38	13	225	165	40
15	Gross National Expenditure in constant (1957) dollars	33,398	34,200	35,081	37,411	39,145	41,678
16	Index, line 15, 1949=100	154.4	158.2	162.2	173.0	181.0	192.7

¹ These data are given on a 1949 time base in Tables 56 and 57 in order to provide continuity with Tables 5 and 6 in *National Accounts, Income and Expenditure, 1926-1956*, and Tables 56 and 57 in *National Accounts, Income and Expenditure, 1962*.

² For annual data for the period 1947-58, on a 1957 time base, see Tables 9 and 18 *National Accounts, Income and Expenditure, by Quarters, 1947-61* (DBS Catalogue No. 13-519).

TABLE 6. Implicit Price Indexes - Gross National Expenditure, 1959-64^{1,2}
1957=100.0

Line No.		1959	1960	1961	1962	1963	1964
1	Personal expenditure on consumer goods and services	104.1	105.1	105.9	107.3	108.9	110.5
2	Government expenditure on goods and services	104.6	108.0	110.3	113.5	118.1	121.2
3	Current expenditure	107.4	112.0	116.7	120.5	125.1	129.0
4	Gross fixed capital formation	96.3	96.5	91.7	94.7	98.7	99.5
5	Business gross fixed capital formation	105.1	107.4	108.3	111.1	114.0	118.1
6	New residential construction	106.2	109.1	109.8	112.9	116.8	123.5
7	New non-residential construction	104.7	107.2	107.6	110.0	112.9	116.0
8	New machinery and equipment	104.7	106.7	108.3	111.2	113.6	117.2
9	Exports of goods and services	101.1	101.8	103.4	106.6	107.8	110.3
10	Imports of goods and services	100.9	101.9	105.0	109.3	112.5	114.4
11	Residual error of estimate	104.5	106.1	106.8	108.4	110.4	112.8
12	Gross National Expenditure at market prices	104.5	106.1	106.8	108.4	110.3	112.8

¹ These implicit indexes are currently weighted price indexes. They reflect not only pure price changes, but also changing expenditure patterns within and between major groups. The implicit price index for Gross National Expenditure is derived by dividing the total of current dollars by the total of constant dollars.

² For annual data for the period 1947-58, on a 1957 time base, see Table 19 in *National Accounts, Income and Expenditure, by Quarters, 1947-61*, (DBS Catalogue No. 13-519).

2. Analysis of Income and Expenditure Accounts
by Sectors of the Canadian Economy

TABLE 7. Personal Income and Expenditure Account, 1959-64
Income

Item No.		1959	1960	1961	1962	1963	1964
		millions of dollars					
1	Wages, salaries, and supplementary labour income:						
	(a) From business (28 a)	14,248	14,695	15,047	15,969	16,928	18,400
	(b) From governments (19 bi)	2,531	2,761	3,046	3,263	3,505	3,773
	(c) From persons (9 b)	680	789	903	1,001	1,113	1,243
	(d) Deduct employer and employee contributions to social insurance and government pension funds (17)	- 652	- 751	- 787	- 812	- 847	- 892
2	Military pay and allowances (19 bii)	496	509	550	586	598	583
3	Net income received by farm operators from farm production ¹ (28 c)	1,126	1,177	978	1,492	1,587	1,362
4	Net income of non-farm unincorporated business (28 e) ..	2,210	2,213	2,274	2,376	2,472	2,587
5	Interest, dividends, and net rental income of persons ² (44 a)	2,599	2,882	3,030	3,308	3,555	3,760
6	Transfer payments (excluding interest):						
	(a) From governments (20 b)	2,755	3,120	3,441	3,729	3,838	4,159
	(b) Charitable contributions from corporations (44 b)	43	40	40	44	44	44
7	Totals	26,036	27,435	28,522	30,956	32,793	35,019

¹ This item differs from line 6 of Table 1 by excluding the adjustment which has been made to take account of the accrued net earnings arising out of the operations of the Canadian Wheat Board.

² Includes all government debt interest paid to persons.

TABLE 8. Personal Income and Expenditure Account, 1959-64
Expenditure

Item No.		1959	1960	1961	1962	1963	1964
		millions of dollars					
8	Personal direct taxes:						
	(a) Income taxes (12 a)	1,744	1,979	2,125	2,316	2,487	2,930
	(b) Succession duties and estate taxes (12 b)	130	158	146	165	171	185
	(c) Miscellaneous (12 c)	214	223	240	249	253	292
9	Purchases of goods and services:						
	(a) From business (24 a)	21,184	21,993	22,785	24,176	25,578	27,344
	(b) Direct services (1 c)	680	789	903	1,001	1,113	1,243
	(c) Travel expenditure (34 a)	598	627	642	605	589	713
	(d) Other expenditures abroad (34 b)	129	131	136	131	136	131
10	Personal net saving ¹ (48)	1,357	1,535	1,545	2,313	2,466	2,181
11	Totals	26,036	27,435	28,522	30,956	32,793	35,019

¹ This series includes changes in farm inventories, see Table 3.

TABLE 9. Government Revenue and Expenditure Account, 1959-64¹

		Revenue					
Item No.		1959	1960	1961	1962	1963	1964
		millions of dollars					
12	Direct taxes—Persons:						
	(a) Income taxes (8a)	1,744	1,979	2,125	2,316	2,487	2,930
	(b) Succession duties and estate taxes (8b)	130	158	146	165	171	185
	(c) Miscellaneous (8c)	214	223	240	249	253	292
13	Direct taxes—Corporations:						
	(a) Income tax collections (44c)	1,425	1,666	1,551	1,653	1,775	2,091
	(b) Excess of income tax liabilities over income tax collections ² (44d)	156	- 122	61	49	46	- 102
14	Withholding taxes (44e)	74	79	116	125	127	140
15	Indirect taxes (29a)	4,464	4,705	4,947	5,565	5,879	6,648
16	Investment income:						
	(a) Interest (44f)	415	463	483	536	585	612
	(b) Profits of government business enterprises (44g)	583	600	643	721	791	907
17	Employer and employee contributions to social insurance and government pension funds (1d)	652	751	787	812	847	892
18	Totals³	9,857	10,502	11,099	12,191	12,961	14,595

¹ See also Table 36.² See footnote 2, Table 50.³ Inter-governmental transfers are not included in this total, since in the consolidation of the government sector such transactions cancel out. For details of inter-governmental transfers, see Table 46.**TABLE 10. Government Revenue and Expenditure Account, 1959-64¹**

		Expenditure					
Item No.		1959	1960	1961	1962	1963	1964
		millions of dollars					
19	Purchases of goods and services: ²						
	(a) From business (24b)	3,463	3,499	3,640	3,861	3,921	4,251
	(b) Direct service:						
	(i) Wages and salaries (1b)	2,531	2,761	3,046	3,263	3,505	3,773
	(ii) Military pay and allowances (2)	496	509	550	586	598	583
20	Transfer payments:						
	(a) Interest ³ (45)	963	1,095	1,170	1,302	1,420	1,532
	(b) Other (6a)	2,755	3,120	3,441	3,729	3,838	4,159
21	Subsidies (29b)	205	235	251	292	311	317
22	Surplus (+) or deficit (-) (on transactions relating to the National Accounts) ⁴ (51)	- 556	- 717	- 999	- 842	- 632	- 20
23	Totals⁵	9,857	10,502	11,099	12,191	12,961	14,595

¹ See also Table 37.² See line 2, Table 2.³ See footnote 3, Table 37.⁴ For a reconciliation of the federal content of this consolidated surplus (or deficit) with the conventional federal budgetary surplus (or deficit) see Table 53.⁵ In addition to total expenditure, this item includes the government surplus or deficit. Inter-governmental transfers are not included in this total, since in the consolidation of the government sector such transactions cancel out. For details of inter-governmental transfers, see Table 46.

TABLE 11. Business Operating Account, 1959 - 64
Revenue

Item No.		1959	1960	1961	1962	1963	1964
		millions of dollars					
24	Sales to residents:						
	(a) Persons (9 a)	21, 184	21, 993	22, 785	24, 176	25, 578	27, 344
	(b) Governments ¹ (19 a)	3, 463	3, 499	3, 640	3, 861	3, 921	4, 251
	(c) Business gross fixed capital formation: ²						
	(i) New residential construction (54 a)	1, 734	1, 443	1, 458	1, 577	1, 707	2, 021
	(ii) New non-residential construction (54 b) ..	2, 589	2, 577	2, 683	2, 638	2, 835	3, 343
	(iii) New machinery and equipment (54 c)	2, 571	2, 672	2, 494	2, 745	3, 049	3, 604
	(d) Value of physical change in inventories (55)	357	410	30	557	491	380
25	Sales to non-residents:						
	(a) Travel expenditure (38 b)	391	420	482	562	609	661
	(b) Other (38 c)	6, 110	6, 415	6, 940	7, 495	8, 245	9, 492
26	Residual error of estimate	31	40	15	244	182	45
27	Totals	38, 430	39, 469	40, 527	43, 855	46, 617	51, 141

¹ See footnotes 1, 2, 3, Table 2.

² See footnote 4, Table 2.

TABLE 12. Business Operating Account, 1959 - 64
Expenditure

Item No.		1959	1960	1961	1962	1963	1964
		millions of dollars					
28	Factor costs:						
	(a) Wages, salaries, and supplementary labour income (1 a)	14, 248	14, 695	15, 047	15, 969	16, 928	18, 400
	(b) Investment income (excluding interest and dividends received from non-residents and including interest and dividends paid to non-residents) (41)	5, 807	5, 830	6, 072	6, 629	7, 122	7, 845
	(c) Net income received by farm operators from farm production ¹ (3)	1, 126	1, 177	978	1, 492	1, 587	1, 362
	(d) Adjustment on grain transactions ² (49 c)	- 5	9	30	6	138	110
	(e) Net income of non-farm unincorporated business (4)	2, 210	2, 213	2, 274	2, 376	2, 472	2, 587
	(f) Inventory valuation adjustment (50)	- 122	- 70	- 89	- 113	- 195	- 121
29	Other costs:						
	(a) Indirect taxes (15)	4, 464	4, 705	4, 947	5, 565	5, 879	6, 648
	(b) Less subsidies (21)	- 205	- 235	- 251	- 292	- 311	- 317
	(c) Capital consumption allowances and miscellaneous valuation adjustments (49 b)	4, 204	4, 423	4, 540	4, 914	5, 172	5, 607
30	Purchases from non-residents (33 b)	6, 733	6, 761	6, 994	7, 552	8, 007	9, 064
31	Residual error of estimate	- 30	- 39	- 15	- 243	- 182	- 44
32	Totals	38, 430	39, 469	40, 527	43, 855	46, 617	51, 141

¹ See footnote 1, Table 7.

² This item is the adjustment to take account of the accrued earnings of farm operators arising out of the operations of the Canadian Wheat Board. See footnote 5, Table 52.

TABLE 13. Non-Residents' Revenue and Expenditure Account, 1959-64¹

Receipts from Canada

Canadian Imports

Item No.		1959	1960	1961	1962	1963	1964
		millions of dollars					
33	Receipts from business:						
	(a) Interest and dividends (46 a)	567	523	630	646	695	772
	(b) Other than interest and dividends (30).....	6,733	6,761	6,994	7,552	8,007	9,064
34	Receipts from persons:						
	(a) Travel expenditure (9 c)	598	627	642	605	589	713
	(b) All other receipts (9 d)	129	131	136	131	136	131
35	Receipts from Government—Interest (46 b)	104	130	140	148	174	188
36	Surplus (+) or deficit (–) on current account (on transactions relating to the National Accounts) (56) ..	– 1,448	– 1,164	– 911	– 823	– 524	– 428
37	Totals	6,683	7,008	7,631	8,259	9,077	10,440

¹ These figures differ from those shown in reports on *The Canadian Balance of International Payments*, Dominion Bureau of Statistics, because adjustments have been made to the figures of receipts and payments to achieve consistency with other component series. See Table 55.

TABLE 14. Non-Residents' Revenue and Expenditure Account, 1959-64¹

Payments to Canada

Canadian Exports

Item No.		1959	1960	1961	1962	1963	1964
		millions of dollars					
38	Payments to business:						
	(a) Interest and dividends (42 a)	89	72	92	77	73	148
	(b) Travel expenditure (25 a)	391	420	482	562	609	661
	(c) Other payments (25 b)	6,110	6,415	6,940	7,495	8,245	9,492
39	Payments to other sectors:						
	Interest and dividends (42 b)	93	101	117	125	150	139
40	Totals	6,683	7,008	7,631	8,259	9,077	10,440

¹ See footnote 1, Table 13.

TABLE 15. Investment Income Appropriation Account, 1959-64

Source

Item No.		1959	1960	1961	1962	1963	1964
		millions of dollars					
41	Investment income (excluding interest and dividends received from non-residents and including interest and dividends paid to non-residents) (28 b)	5,807	5,830	6,072	6,629	7,122	7,845
42	Interest and dividends from non-residents received by:						
	(a) Corporations (38 a)	89	72	92	77	73	148
	(b) Other sectors (39)	93	101	117	125	150	139
43	Totals	5,989	6,003	6,281	6,831	7,345	8,132

TABLE 16. Investment Income Appropriation Account, 1959-64
Disposition

Item No.		1959	1960	1961	1962	1963	1964
		millions of dollars					
44	To Canadian residents:						
	(a) Interest, dividends, and net rental income of persons (5)	2,599	2,882	3,030	3,308	3,555	3,760
	(b) Charitable contributions from corporations (6 b)	43	40	40	44	44	44
	(c) Corporation income tax collections (13 a)	1,425	1,666	1,551	1,653	1,775	2,091
	(d) Excess of corporation income tax liabilities over collections ¹ (13 b)	156	- 122	61	49	46	- 102
	(e) Withholding taxes (14)	74	79	116	125	127	140
	(f) Government interest revenue (16 a)	415	463	483	536	585	612
	(g) Profits of government business enterprises (16 b)	583	600	643	721	791	907
	(h) Undistributed corporation profits (49 a)	986	837	757	903	973	1,252
45	Less: Interest on the public debt (20 a)	- 963	- 1,095	- 1,170	- 1,302	- 1,420	- 1,532
46	To non-residents, interest and dividends received from:						
	(a) Business (33 a)	567	523	630	646	695	772
	(b) Government (35)	104	130	140	148	174	188
47	Totals	5,989	6,003	6,281	6,831	7,345	8,132

¹ See footnote 2, Table 50.

TABLE 17. National Saving Account, 1959-64
Source

Item No.		1959	1960	1961	1962	1963	1964
		millions of dollars					
48	Personal net saving (10)	1,357	1,535	1,545	2,313	2,466	2,181
49	Business gross saving:						
	(a) Undistributed corporation profits (44 h)	986	837	757	903	973	1,252
	(b) Capital consumption allowances and miscellaneous valuation adjustments ¹ (29 c)	4,204	4,423	4,540	4,914	5,172	5,607
	(c) Adjustment on grain transactions (28 d)	- 5	9	30	6	138	110
50	Inventory valuation adjustment (28 f)	- 122	- 70	- 89	- 113	- 195	- 121
51	Government surplus (+) or deficit (-) (22)	- 556	- 717	- 999	- 842	- 632	- 20
52	Residual error of estimate	- 30	- 39	- 15	- 243	- 182	- 44
53	Totals	5,834	5,978	5,769	6,938	7,740	8,965

¹ Includes capital consumption allowances of incorporated and unincorporated business as well as depreciation on dwellings. See also Table 51.

TABLE 18. National Saving Account, 1959-64
Disposition

Item No.		1959	1960	1961	1962	1963	1964
millions of dollars							
54	Business gross fixed capital formation: ¹						
	(a) New residential construction (24 ci)	1,734	1,443	1,458	1,577	1,707	2,021
	(b) New non-residential construction (24 cii)	2,589	2,577	2,683	2,638	2,835	3,343
	(c) New machinery and equipment (24 ciii)	2,571	2,672	2,494	2,745	3,049	3,604
55	Value of physical change in inventories (24 d)	357	410	30	557	491	380
56	Surplus (+) or deficit (-) on current account with non-residents ² (36)	- 1,448	- 1,164	- 911	- 823	- 524	- 428
57	Residual error of estimate	31	40	15	244	182	45
58	Totals	5,834	5,978	5,769	6,938	7,740	8,965

¹ See footnote 4, Table 2. For reconciliation with *Private and Public Investment* figures published by the Department of Trade and Commerce, see Table 54.

² See footnote 1, Table 13.

TABLE 19. Sector Accounts Consolidation, 1959-64
National Income and Gross National Product

Line No.		1959	1960	1961	1962	1963	1964
millions of dollars							
	Income originating in:						
1	Personal sector:	680	789	903	1,001	1,113	1,243
2	Wages, salaries, and supplementary labour income	680	789	903	1,001	1,113	1,243
3	Business sector	23,264	23,854	24,312	26,359	28,052	30,183
4	Wages, salaries, and supplementary labour income	14,248	14,695	15,047	15,969	16,928	18,400
5	Investment income (excluding interest and dividends received from non-residents and including interest and dividends paid to non-residents)	5,807	5,830	6,072	6,629	7,122	7,845
6	Net income received by farm operators from farm production	1,126	1,177	978	1,492	1,587	1,362
7	Adjustment on grain transactions	- 5	9	30	6	138	110
8	Net income of non-farm unincorporated business	2,210	2,213	2,274	2,376	2,472	2,587
9	Inventory valuation adjustment	- 122	- 70	- 89	- 113	- 195	- 121
10	Government sector	3,027	3,270	3,596	3,849	4,103	4,356
11	Wages, salaries, and supplementary labour income	2,531	2,761	3,046	3,263	3,505	3,773
12	Military pay and allowances	496	509	550	586	598	583
13	Non-residents' sector	- 489	- 480	- 561	- 592	- 646	- 673
	Interest and dividends paid by non-residents:						
14	(a) To Canadian corporations	89	72	92	77	73	148
15	(b) To other Canadian sectors	93	101	117	125	150	139
	Less interest and dividends received by non-residents:						
16	(a) From Canadian business	- 567	- 523	- 630	- 646	- 695	- 772
17	(b) From Canadian governments	- 104	- 130	- 140	- 148	- 174	- 188
18	Net National Income at factor cost	26,482	27,433	28,250	30,617	32,622	35,109
19	Capital consumption allowances and miscellaneous valuation adjustments	4,204	4,423	4,540	4,914	5,172	5,607
20	Indirect taxes	4,464	4,705	4,947	5,565	5,879	6,648
21	Less subsidies	- 205	- 235	- 251	- 292	- 311	- 317
22	Residual error of estimate	- 30	- 39	- 15	- 243	- 182	- 44
23	Gross National Product at market prices	34,915	36,287	37,471	40,561	43,180	47,003

TABLE 20. Sector Accounts Consolidation, 1959-64
Gross National Expenditure

Line No.		1959	1960	1961	1962	1963	1964
		millions of dollars					
1	Personal expenditure on consumer goods and services	22,591	23,540	24,466	25,913	27,416	29,431
2	Purchases from business	21,184	21,993	22,785	24,176	25,578	27,344
3	Purchases of direct services	680	789	903	1,001	1,113	1,243
4	Purchases from non-residents	727	758	778	736	725	844
5	Government expenditure on goods and services	6,490	6,769	7,236	7,710	8,024	8,607
6	Purchases from business	3,463	3,499	3,640	3,861	3,921	4,251
7	Wages and salaries	2,531	2,761	3,046	3,263	3,505	3,773
8	Military pay and allowances	496	509	550	586	598	583
9	Business gross fixed capital formation	6,894	6,692	6,635	6,960	7,591	8,968
10	New residential construction	1,734	1,443	1,458	1,577	1,707	2,021
11	New non-residential construction	2,589	2,577	2,683	2,638	2,835	3,343
12	New machinery and equipment	2,571	2,672	2,494	2,745	3,049	3,604
13	Value of physical change in inventories	357	410	30	557	491	380
14	Exports of goods and services	6,683	7,008	7,631	8,259	9,077	10,440
15	Payments to Canadian business	6,590	6,907	7,514	8,134	8,927	10,301
16	Payments to other sectors	93	101	117	125	150	139
17	Imports of goods and services	- 8,131	- 8,172	- 8,542	- 9,082	- 9,601	- 10,868
18	Receipts from Canadian business	- 7,300	- 7,284	- 7,624	- 8,198	- 8,702	- 9,836
19	Receipts from persons	- 727	- 758	- 778	- 736	- 725	- 844
20	Receipts from government	- 104	- 130	- 140	- 148	- 174	- 188
21	Residual error of estimate	31	40	15	244	182	45
22	Gross National Expenditure at market prices	34,915	36,287	37,471	40,561	43,180	47,003

SECTION B

INDUSTRIAL DISTRIBUTION OF GROSS DOMESTIC PRODUCT AND OTHER AGGREGATES

TABLE 21. Gross Domestic Product at Factor Cost, by Industry, 1959-64¹

Line No.		1959	1960	1961	1962	1963	1964
		millions of dollars					
1	Agriculture	1,660	1,745	1,581	2,095	2,350	2,135
2	Forestry	380	403	355	388	390	434
3	Fishing and trapping	95	91	100	116	116	128
4	Mining, quarrying, and oil wells	1,340	1,433	1,445	1,556	1,583	1,712
5	Manufacturing	8,286	8,427	8,501	9,320	9,866	10,857
6	Construction	1,872	1,745	1,823	1,935	2,030	2,245
7	Transportation	2,133	2,103	2,170	2,232	2,328	2,521
8	Storage	88	89	85	83	99	106
9	Communication	686	744	796	870	927	1,024
10	Electric power, gas, and water utilities	998	1,070	1,139	1,195	1,245	1,340
11	Wholesale trade	1,487	1,506	1,547	1,677	1,795	1,962
12	Retail trade	2,924	3,016	3,106	3,216	3,400	3,666
13	Finance, insurance, and real estate ²	3,175	3,383	3,532	3,725	4,021	4,318
14	Public administration and defence	2,201	2,342	2,516	2,661	2,806	2,923
15	Service	3,850	4,239	4,655	5,054	5,484	6,018
16	Totals	31,175	32,336	33,351	36,123	38,440	41,389

¹ For a reconciliation between Gross National Product at market prices and Gross Domestic Product at factor cost, see Table 4. It should be noted that the data for wages, salaries, and supplementary labour income, and the inventory valuation adjustment are on an establishment basis, while the data for net income of unincorporated business, investment income, and capital consumption allowances and miscellaneous valuation adjustments are on a company basis.

Details by industry on capital consumption allowances and miscellaneous valuation adjustments, and the inventory valuation adjustment are not given pending further research, and Tables 22 to 24 are therefore not additive to the above data.

² This group includes ownership of dwellings.

TABLE 22. Wages, Salaries, and Supplementary Labour Income, by Industry, 1959-64¹

Line No.		1959	1960	1961	1962	1963	1964
		millions of dollars					
1	Agriculture	182	192	195	201	209	215
2	Forestry	307	344	304	321	330	366
3	Fishing and trapping	23	22	25	28	28	32
4	Mining, quarrying, and oil wells	587	600	579	596	609	639
5	Manufacturing	5,302	5,474	5,533	5,935	6,286	6,829
6	Construction	1,309	1,250	1,288	1,393	1,457	1,624
7	Transportation	1,383	1,377	1,409	1,435	1,488	1,581
8	Storage	61	60	60	61	70	74
9	Communication	427	453	476	502	544	571
10	Electric power, gas, and water utilities	345	356	371	393	412	435
11	Wholesale trade	1,019	1,074	1,110	1,174	1,255	1,365
12	Retail trade	1,592	1,658	1,722	1,801	1,931	2,094
13	Finance, insurance, and real estate	771	819	877	933	1,000	1,092
14	Public administration and defence ¹	2,201	2,342	2,516	2,661	2,806	2,923
15	Service	2,446	2,733	3,081	3,385	3,719	4,159
16	Totals	17,955	18,754	19,546	20,819	22,144	23,999

¹ Includes military pay and allowances.

TABLE 23. Investment Income, by Industry, 1959-64¹

Line No.		1959	1960	1961	1962	1963	1964
millions of dollars							
1	Agriculture	54	57	60	71	78	87
2	Forestry	11	5	13	10	10	11
3	Fishing and trapping	—	—	—	—	—	—
4	Mining, quarrying, and oil wells	346	365	374	408	424	506
5	Manufacturing	1,742	1,620	1,644	1,907	2,076	2,237
6	Construction	133	98	117	100	104	114
7	Transportation	199	183	189	192	226	294
8	Storage	15	15	13	12	15	16
9	Communication	145	165	180	211	211	268
10	Electric power, gas, and water utilities	411	443	483	513	525	586
11	Wholesale trade	305	267	262	293	320	372
12	Retail trade	459	422	426	466	505	532
13	Finance, insurance, and real estate	1,708	1,895	1,996	2,092	2,254	2,409
14	Public administration and defence	—	—	—	—	—	—
15	Service	279	295	315	354	374	413
16	Totals	5,807	5,830	6,072	6,629	7,122	7,845

¹ The total of this table does not agree with the sum of corporation profits, and rent, interest, and miscellaneous investment income in Table 1. Data in Table 1 are on a national concept basis, while the data in this table are on a domestic concept basis. Interest and dividends paid to non-residents are included in this table and interest and dividends received from non-residents are excluded from this table.

TABLE 24. Accrued Net Income of Farm Operators from Farm Production and Net Income of Non-farm Unincorporated Business, by Industry, 1959-64

Line No.		1959	1960	1961	1962	1963	1964
millions of dollars							
1	Agriculture	1,121	1,186	1,008	1,498	1,725	1,472
2	Forestry	29	31	31	31	31	31
3	Fishing and trapping	47	43	46	55	54	58
4	Mining, quarrying, and oil wells	6	6	6	7	7	7
5	Manufacturing	173	177	202	217	218	222
6	Construction	296	253	269	292	316	358
7	Transportation	79	81	84	79	90	90
8	Storage; communication; and electric power, gas, and water utilities	—	—	—	—	—	—
9	Retail trade	643	669	646	675	683	707
10	Wholesale trade	62	50	53	53	54	55
11	Finance, insurance, and real estate	70	61	69	60	62	68
12	Service	805	842	868	907	957	991
13	Totals	3,331	3,399	3,282	3,874	4,197	4,059

TABLE 25. Business Gross Fixed Capital Formation, by Industry, 1959-64^{1,2}

Line No.		1959	1960	1961	1962	1963	1964
millions of dollars							
1	Agriculture ³	539	550	576	663	762	820
2	Fishing and trapping						
3	Forestry						
4	Mining, quarrying, and oil wells	342	400	449	480	521	633
5	Manufacturing	1,144	1,178	1,085	1,269	1,358	1,815
6	Construction	145	130	136	109	135	151
7	Transportation	746	704	645	490	566	764
8	Storage ⁴						
9	Communication						
10	Electric power, gas, and water utilities	766	688	710	723	766	886
11	Trade	363	381	307	319	338	351
12	Finance, insurance, and real estate ⁵	2,001	1,722	1,770	1,875	1,980	2,349
13	Service	475	508	570	596	673	711
14	Totals	6,894	6,692	6,635	6,960	7,591	8,968

¹ This table is derived from the publication *Private and Public Investment in Canada*. Additional detail has been provided by the Business Finance Division, DBS, and adjustments have been made to convert the data to national accounting concepts. (See reconciliation statement, Table 54.)

² Since 1960, industry detail is based on the revised (1960) Standard Industrial Classification and consequently figures prior to this year for the manufacturing and mining industries are not strictly comparable. For an indication of the magnitude of these changes, see *Private and Public Investment in Canada—Outlook 1962*, page 23.

³ Estimates for Agriculture from 1961 onward are based on the 1958 Farm Income and Expenditure Survey and the 1961 Census of Agriculture. The effect of this benchmark revision on years between 1951-1961 is not published at this time and consequently a break appears in the series between 1960 and 1961. The revised 1960 figure is \$606 million.

⁴ Prior to 1954 grain elevators were included with the electric power, gas and water utilities group. Details for reconciliation of the groups may be found in *Private and Public Investment in Canada* publications.

⁵ Includes new residential construction.

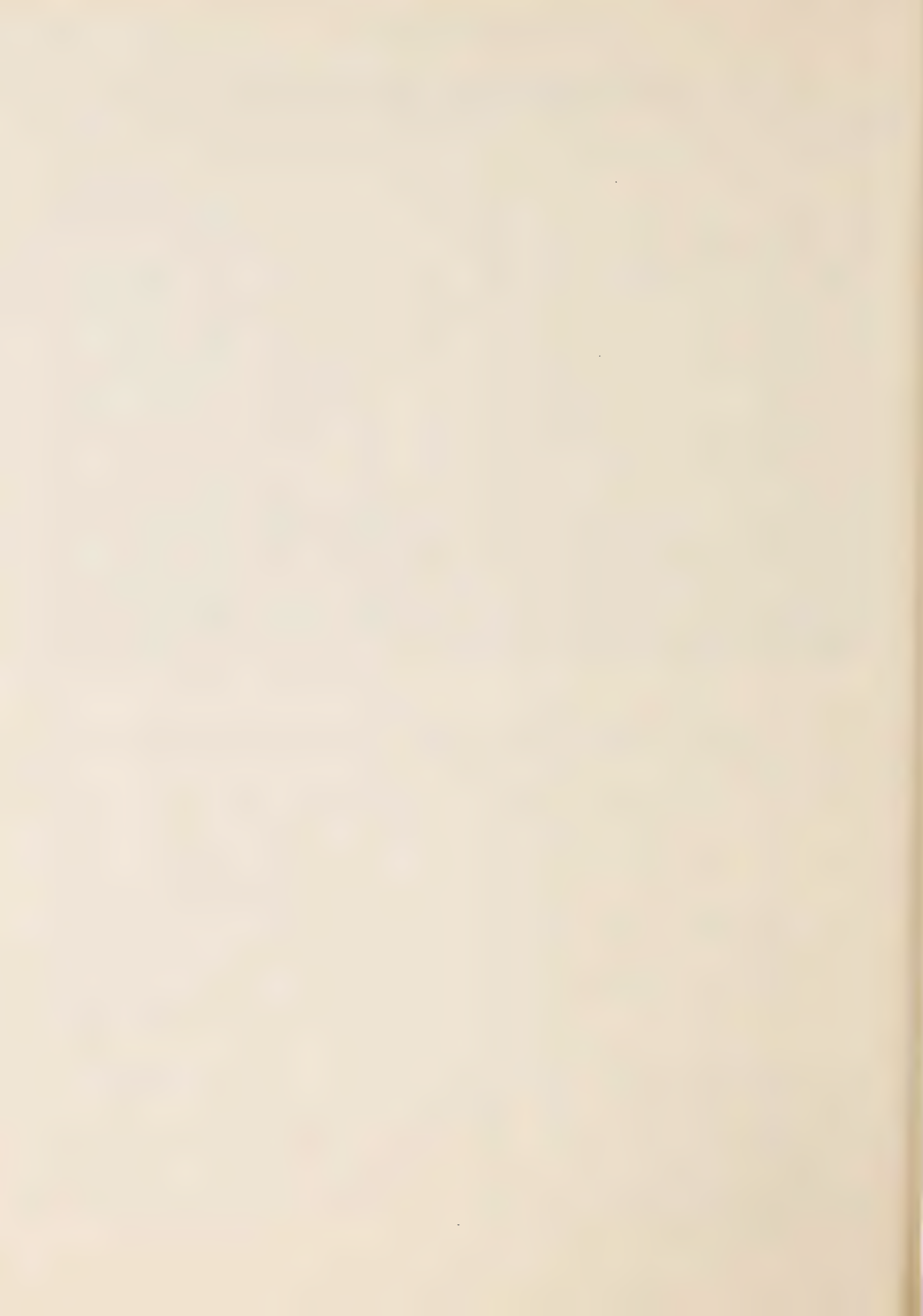
TABLE 26. Value of Physical Change in Inventories, by Industry, 1959-64

Line No.		1959	1960	1961	1962	1963	1964
millions of dollars							
1	Agriculture	- 76	16	- 278	176	311	- 99
2	Forestry	27	3	- 13	- 6	- 10	-
3	Fishing and trapping	-	-	-	-	-	-
4	Mining, quarrying, and oil wells	- 2	5	10	5	- 20	- 13
5	Manufacturing	151	137	271	215	40	216
6	Construction	11	- 9	3	14	25	4
7	Transportation	6	- 26	- 13	- 4	- 19	22
8	Storage						
9	Communication						
10	Electric power, gas, and water utilities	- 18	5	- 11	-	4	1
	Trade:						
11	Grain in commercial channels	12	69	- 131	46	- 20	- 31
12	Wholesale (excluding grain in commercial channels)	123	18	79	- 19	31	77
13	Retail	123	192	110	128	143	199
14	Finance, insurance, and real estate	-	-	3	2	6	4
15	Service						
16	Totals	357	410	30	557	491	380

TABLE 27. Corporation Profits, by Industry, 1959-64

Line No.		1959	1960	1961	1962	1963	1964
		millions of dollars					
1	Agriculture	11	5	15	12	13	14
2	Forestry						
3	Fishing and trapping						
4	Mining, quarrying, and oil wells	326	348	361	402	419	557
5	Manufacturing	1,658	1,516	1,555	1,791	1,964	2,133
6	Construction	113	78	94	74	76	83
7	Transportation	134	132	126	114	142	197
8	Storage	15	14	12	12	15	16
9	Communication	116	129	137	156	162	188
10	Electric power, gas, and water utilities	72	85	87	91	75	74
11	Wholesale trade	272	228	222	248	275	325
12	Retail trade	256	212	213	224	245	260
13	Finance, insurance, and real estate	446	510	530	542	526	633
14	Service	85	81	75	84	84	100
15	Totals¹	3,504	3,338	3,427	3,750	3,996	4,580

¹ For an analysis of total corporation profits, see Table 50.



SECTION C

GEOGRAPHICAL DISTRIBUTION OF PERSONAL INCOME

TABLE 28. Personal Income, Geographical Distribution, 1959-64¹

Line No.		1959	1960	1961	1962	1963	1964
		millions of dollars					
1	Newfoundland	363	395	428	449	485	523
2	Prince Edward Island	93	102	101	111	115	131
3	Nova Scotia	804	848	882	934	976	1,035
4	New Brunswick	573	617	636	673	703	769
5	Quebec	6,353	6,736	7,272	7,799	8,217	8,945
6	Ontario	10,566	11,023	11,490	12,244	13,022	13,996
7	Manitoba	1,328	1,398	1,395	1,576	1,597	1,721
8	Saskatchewan	1,177	1,351	1,130	1,574	1,746	1,587
9	Alberta	1,932	2,006	2,125	2,336	2,460	2,568
10	British Columbia	2,755	2,850	2,953	3,137	3,346	3,614
11	Yukon and Northwest Territories	41	50	49	50	51	55
12	Foreign Countries ²	51	59	61	73	75	75
13	Canada	26,036	27,435	28,522	30,956	32,793	35,019

¹ Geographical distributions of only the main components of personal income are given in Tables 31 to 35 inclusive: these tables, therefore, do not add to the total of personal income.

² Income of Canadians temporarily abroad, including pay and allowances of Canadian Armed Forces abroad.

TABLE 29. Personal Income per Person, Geographical Distribution, 1959-64

Line No.		1959	1960	1961	1962	1963	1964
		dollars					
1	Newfoundland	823	882	934	955	1,008	1,065
2	Prince Edward Island	921	990	962	1,047	1,075	1,224
3	Nova Scotia	1,118	1,166	1,197	1,252	1,291	1,362
4	New Brunswick	985	1,048	1,064	1,109	1,145	1,246
5	Quebec	1,265	1,310	1,383	1,453	1,503	1,608
6	Ontario	1,770	1,804	1,843	1,931	2,020	2,125
7	Manitoba	1,490	1,543	1,513	1,686	1,681	1,796
8	Saskatchewan	1,298	1,477	1,222	1,692	1,871	1,683
9	Alberta	1,548	1,554	1,595	1,705	1,751	1,793
10	British Columbia	1,758	1,779	1,813	1,891	1,974	2,079
11	Yukon and Northwest Territories	1,206	1,389	1,324	1,282	1,308	1,341
12	Canada	1,489	1,535	1,564	1,667	1,735	1,821

TABLE 30. Personal Disposable Income,¹ Geographical Distribution, 1959 - 64

Line No.		1959	1960	1961	1962	1963	1964
		millions of dollars					
1	Newfoundland	347	375	406	424	459	492
2	Prince Edward Island	91	98	96	106	109	125
3	Nova Scotia	765	793	832	879	918	967
4	New Brunswick	532	574	597	633	658	718
5	Quebec	5,904	6,213	6,689	7,154	7,522	8,124
6	Ontario	9,569	9,908	10,312	10,983	11,687	12,423
7	Manitoba	1,224	1,285	1,273	1,445	1,462	1,565
8	Saskatchewan	1,100	1,269	1,040	1,469	1,629	1,456
9	Alberta	1,792	1,856	1,963	2,158	2,277	2,355
10	British Columbia	2,535	2,600	2,698	2,857	3,040	3,263
11	Yukon and Northwest Territories	38	45	44	45	46	49
12	Foreign Countries ²	51	59	61	73	75	75
13	Canada	23,948	25,075	26,011	28,226	29,882	31,612

¹ Personal disposable income consists of total personal income less personal direct taxes.

² Taxes paid by Canadians temporarily abroad cannot be estimated and all direct taxes are allocated to provincial personal incomes only.

TABLE 31. Wages, Salaries, and Supplementary Labour Income,¹ Geographical Distribution, 1959 - 64

Line No.		1959	1960	1961	1962	1963	1964
		millions of dollars					
1	Newfoundland	236	260	286	297	326	356
2	Prince Edward Island	42	46	52	56	59	64
3	Nova Scotia	500	528	542	572	604	645
4	New Brunswick	362	384	404	426	450	492
5	Quebec	4,447	4,708	4,974	5,343	5,688	6,239
6	Ontario	7,349	7,608	7,889	8,420	8,994	9,771
7	Manitoba	829	870	897	939	987	1,039
8	Saskatchewan	603	621	634	666	698	742
9	Alberta	1,167	1,215	1,279	1,355	1,423	1,538
10	British Columbia	1,873	1,948	1,983	2,099	2,253	2,460
11	Yukon and Northwest Territories	38	44	42	44	45	49
12	Foreign Countries	13	13	14	16	19	21
13	Canada	17,459	18,245	18,996	20,233	21,546	23,416

¹ Excludes military pay and allowances, includes employer and employee contributions to social insurance and government pension funds.

**TABLE 32. Net Income Received by Farm Operators from Farm Production,¹
Geographical Distribution, 1959-64**

Line No.		1959	1960	1961	1962	1963	1964
		millions of dollars					
1	Newfoundland	2	2	2	2	2	2
2	Prince Edward Island	12	13	6	6	6	13
3	Nova Scotia	13	13	13	11	10	6
4	New Brunswick	15	22	10	9	8	14
5	Quebec	182	178	181	176	161	146
6	Ontario	298	308	333	348	348	324
7	Manitoba	102	94	52	151	108	155
8	Saskatchewan	221	305	100	440	568	364
9	Alberta	228	192	224	282	310	273
10	British Columbia	53	50	57	67	66	65
11	Yukon and Northwest Territories	—	—	—	—	—	—
12	Canada	1, 126	1, 177	978	1, 492	1, 587	1, 362

¹ This item differs from line 6, Table 1, by excluding the adjustment which has been made to take account of the accrued earnings arising out of the operations of the Canadian Wheat Board.

**TABLE 33. Net Income of Non-farm Unincorporated Business, Geographical Distribution,
1959 - 64**

Line No.		1959	1960	1961	1962	1963	1964
		millions of dollars					
1	Newfoundland	38	41	41	46	47	49
2	Prince Edward Island	13	13	13	13	13	14
3	Nova Scotia	84	86	89	90	95	100
4	New Brunswick	57	58	59	63	65	68
5	Quebec	500	496	522	553	574	601
6	Ontario	819	803	822	848	887	927
7	Manitoba	131	136	136	136	141	146
8	Saskatchewan	119	128	125	131	138	145
9	Alberta	181	194	194	210	217	226
10	British Columbia	266	255	270	284	293	309
11	Yukon and Northwest Territories	2	3	3	2	2	2
12	Canada	2, 210	2, 213	2, 274	2, 376	2, 472	2, 587

TABLE 34. Interest, Dividends, and Net Rental Income of Persons, Geographical Distribution, 1959 - 64

Line No.		1959	1960	1961	1962	1963	1964
millions of dollars							
1	Newfoundland	22	23	25	26	28	29
2	Prince Edward Island	8	8	8	9	9	10
3	Nova Scotia	64	72	74	82	88	95
4	New Brunswick	46	49	49	54	56	60
5	Quebec	612	683	732	776	837	887
6	Ontario	1,177	1,314	1,384	1,500	1,586	1,699
7	Manitoba	121	137	143	160	171	185
8	Saskatchewan	91	112	100	136	163	146
9	Alberta	171	181	200	226	238	245
10	British Columbia	286	302	314	338	378	403
11	Yukon and Northwest Territories	1	1	1	1	1	1
12	Canada	2,599	2,882	3,030	3,308	3,555	3,760

TABLE 35. Government Transfer Payments, Excluding Interest, Geographical Distribution, 1959 - 64

Line No.		1959	1960	1961	1962	1963	1964
millions of dollars							
1	Newfoundland	67	73	78	82	86	92
2	Prince Edward Island	16	20	20	23	23	25
3	Nova Scotia	115	126	135	147	149	162
4	New Brunswick	95	108	119	125	128	140
5	Quebec	681	776	966	1,053	1,069	1,197
6	Ontario	956	1,051	1,132	1,200	1,289	1,375
7	Manitoba	147	172	177	200	199	209
8	Saskatchewan	154	198	185	216	194	208
9	Alberta	199	241	243	277	286	306
10	British Columbia	323	351	382	402	411	441
11	Yukon and Northwest Territories	2	4	4	4	4	4
12	Foreign Countries	—	—	—	—	—	—
13	Canada	2,755	3,120	3,441	3,729	3,838	4,159

SECTION D

GOVERNMENT SUPPLEMENTARY TABLES

TABLE 36. Government Revenue and Expenditure, by Level of Government, 1959-64¹
Revenue

Line No.		1959	1960	1961	1962	1963	1964
		millions of dollars					
1	Direct taxes — Persons	2,088	2,360	2,511	2,730	2,911	3,407
2	Federal	1,770	2,017	2,132	2,088	2,193	2,558
3	Provincial	297	320	353	612	688	816
4	Municipal	21	23	26	30	30	33
5	Direct taxes — Corporations²	1,581	1,544	1,612	1,702	1,821	1,989
6	Federal	1,310	1,266	1,311	1,271	1,356	1,482
7	Provincial ³	271	278	301	431	465	507
	Withholding taxes:						
8	Federal	74	79	116	125	127	140
9	Indirect taxes	4,464	4,705	4,947	5,565	5,879	6,648
10	Federal	2,125	2,180	2,190	2,401	2,451	2,847
11	Provincial	1,043	1,090	1,233	1,534	1,661	1,944
12	Municipal	1,296	1,435	1,524	1,630	1,767	1,857
13	Investment income	998	1,063	1,126	1,257	1,376	1,519
14	Federal	350	382	409	448	502	547
15	Provincial	413	437	461	516	551	621
16	Municipal	235	244	256	293	323	351
17	Employer and employee contributions to social insurance and government pension funds	652	751	787	812	847	892
18	Federal	414	487	510	518	534	558
19	Provincial	216	240	251	265	281	298
20	Municipal	22	24	26	29	32	36
21	Transfers from other levels of government	1,526	1,725	1,985	2,215	2,336	2,534
22	Provinces — From Canada	856	962	1,095	1,090	1,117	1,198
23	From municipalities	24	17	15	15	20	19
24	Municipalities — From Canada	24	32	33	44	52	56
25	From provinces	622	714	842	1,066	1,147	1,261
26	Total revenue	11,383	12,227	13,084	14,406	15,297	17,129
27	Federal	6,043	6,411	6,668	6,851	7,163	8,132
28	Provincial	3,120	3,344	3,709	4,463	4,783	5,403
29	Municipal	2,220	2,472	2,707	3,092	3,351	3,594

¹ For total government revenue and expenditure excluding inter-governmental transfers, see Tables 9 and 10.

² For details of tax collections and tax liabilities, see Table 50.

³ See footnote 2, Table 50.

TABLE 37. Government Revenue and Expenditure, by Level of Government, 1959 - 64¹

		Expenditure					
Line No.		1959	1960	1961	1962	1963	1964
		millions of dollars					
1	Goods and services.....	6,490	6,769	7,236	7,710	8,024	8,607
2	Federal ²	2,832	2,730	2,982	3,023	2,939	3,042
3	Provincial.....	1,349	1,465	1,467	1,565	1,702	1,934
4	Municipal.....	2,309	2,574	2,787	3,122	3,383	3,631
5	Transfer payments to persons (excluding interest on the public debt).....	2,755	3,120	3,441	3,729	3,838	4,159
6	Federal.....	1,791	1,976	2,006	2,112	2,137	2,235
7	Provincial.....	895	1,067	1,332	1,514	1,594	1,813
8	Municipal.....	69	77	103	103	107	111
9	Interest on the public debt.....	963	1,095	1,170	1,302	1,420	1,532
10	Federal ³	678	753	786	866	935	995
11	Provincial.....	126	148	166	192	224	252
12	Municipal.....	159	194	218	244	261	285
13	Subsidies.....	205	235	251	292	311	317
14	Federal.....	189	209	221	260	275	278
15	Provincial.....	16	26	30	32	36	39
16	Transfers to other levels of government.....	1,526	1,725	1,985	2,215	2,336	2,534
17	Canada—To provinces.....	856	962	1,095	1,090	1,117	1,198
18	To municipalities.....	24	32	33	44	52	56
19	Provinces—To municipalities.....	622	714	842	1,066	1,147	1,261
20	Municipalities—To provinces.....	24	17	15	15	20	19
21	Total expenditure.....	11,939	12,944	14,083	15,248	15,929	17,149
22	Federal.....	6,370	6,662	7,123	7,395	7,455	7,804
23	Provincial.....	3,008	3,420	3,837	4,369	4,703	5,299
24	Municipal.....	2,561	2,862	3,123	3,484	3,771	4,046
25	Deficit (-) or surplus (+).....	- 556	- 717	- 999	- 842	- 632	- 20
26	Federal ⁴	- 327	- 251	- 455	- 544	- 292	328
27	Provincial.....	112	- 76	- 128	94	80	104
28	Municipal.....	- 341	- 390	- 416	- 392	- 420	- 452
29	Total expenditure minus deficit (or plus surplus) ..	11,383	12,227	13,084	14,406	15,297	17,129
30	Federal.....	6,043	6,411	6,668	6,851	7,163	8,132
31	Provincial.....	3,120	3,344	3,709	4,463	4,783	5,403
32	Municipal.....	2,220	2,472	2,707	3,092	3,351	3,594

¹ For total government revenue and expenditure excluding inter-governmental transfers, see Tables 9 and 10.

² Defence expenditures included in these figures are as follows: 1959, \$1,559 million; 1960, \$1,546 million; 1961, \$1,613 million; 1962, \$1,678 million; 1963, \$1,576 million; 1964, \$1,552 million.

³ From 1960 interest on the federal public debt is on an accrual basis; prior to 1960 it is on a "due date" basis.

⁴ For the difference between this item and the conventional budgetary surplus or deficit, see reconciliation, Table 53.

TABLE 38. Direct Taxes — Persons, 1959 - 64

Line No.		1959	1960	1961	1962	1963	1964
		millions of dollars					
Federal:							
1	Income.....	1,692	1,917	2,050	1,994	2,102	2,465
2	Succession duties and estate taxes.....	76	97	80	93	89	91
3	Miscellaneous.....	2	3	2	1	2	2
4	Totals.....	1,770	2,017	2,132	2,088	2,193	2,558
Provincial:							
5	Income.....	52	62	75	322	385	465
6	Motor vehicle licences and permits ¹	58	63	69	72	76	87
7	Succession duties.....	54	61	66	72	82	94
8	Hospital insurance premiums.....	113	113	122	122	121	145
9	Miscellaneous.....	20	21	21	24	24	25
10	Totals.....	297	320	353	612	688	816
Municipal:							
11	Miscellaneous.....	21	23	26	30	30	33
12	Grand totals.....	2,088	2,360	2,511	2,730	2,911	3,407

¹ Personal share only. The business share is treated as an indirect tax.

TABLE 39. Direct Taxes — Corporations, 1959-64

Line No.		1959	1960	1961	1962	1963	1964
		millions of dollars					
	Federal:						
1	Income	1,310	1,266	1,311	1,271	1,356	1,482
	Provincial:						
2	Income ¹	253	251	276	400	428	473
3	Tax on mining and logging profits	18	27	25	31	37	34
4	Totals	271	278	301	431	465	507
5	Grand totals	1,581	1,544	1,612	1,702	1,821	1,989

¹ See footnote 2, Table 50.

TABLE 40. Indirect Taxes, 1959-64

Line No.		1959	1960	1961	1962	1963	1964
		millions of dollars					
	Federal:						
1	Banks and insurance companies	—	—	—	—	—	—
2	Customs import duties	520	515	515	636	577	624
3	Excise duties	332	345	358	379	393	408
4	Excise taxes	1,255	1,304	1,302	1,369	1,462	1,794
5	Miscellaneous	18	16	15	17	19	21
6	Totals	2,125	2,180	2,190	2,401	2,451	2,847
	Provincial:						
7	Amusement	22	23	24	26	27	31
8	Corporation tax (not on profits)	28	22	23	22	23	27
9	Gasoline	380	398	430	473	520	594
10	Licences, fees, and permits	29	28	33	34	36	40
11	Motor vehicle licences and permits ¹	91	101	109	114	120	129
12	Miscellaneous taxes on natural resources	132	137	133	152	156	185
13	Real property	8	8	9	9	10	11
14	Retail sales tax (including liquor and tobacco)	230	238	317	530	577	721
15	Miscellaneous	123	135	155	174	192	206
16	Totals	1,043	1,090	1,233	1,534	1,661	1,944
	Municipal:						
17	Amusement	2	2	2	2	2	2
18	Licences, fees, and permits	33	35	33	33	35	37
19	Real property	1,048	1,159	1,251	1,356	1,473	1,588
20	Retail sales tax	74	82	68	54	60	20
21	Miscellaneous	139	157	170	185	197	210
22	Totals	1,296	1,435	1,524	1,630	1,767	1,857
23	Grand totals	4,464	4,705	4,947	5,565	5,879	6,648

¹ Business share only. The personal share is treated as a direct tax.

TABLE 41. Government Investment Income, 1959 - 64

Line No.		1959	1960	1961	1962	1963	1964
		millions of dollars					
	Federal:						
1	Interest on government-held public funds	104	106	114	122	139	153
2	Interest on loans, advances and investments	128	147	151	166	173	158
3	Profits (net of losses) of government business enterprises	118	129	144	160	190	236
4	Totals	350	382	409	448	502	547
	Provincial:						
5	Interest on government-held public funds	60	67	74	84	92	100
6	Interest on loans, advances and investments	77	90	87	98	103	114
7	Profits (net of losses) of government business enterprises	276	280	300	334	356	407
8	Totals	413	437	461	516	551	621
	Municipal:						
9	Interest on government-held public funds	12	14	16	19	23	25
10	Interest on loans, advances and investments	34	39	41	47	55	62
11	Profits (net of losses) of government business enterprises	189	191	199	227	245	264
12	Totals	235	244	256	293	323	351
13	Grand totals	998	1,063	1,126	1,257	1,376	1,519

TABLE 42. Employer and Employee Contributions to Social Insurance and Government Pension Funds, 1959 - 64

Line No.		1959	1960	1961	1962	1963	1964
		millions of dollars					
	Federal:						
1	Public service pensions	210	209	233	233	240	253
2	Unemployment insurance	204	278	277	285	294	305
3	Totals	414	487	510	518	534	558
	Provincial:						
4	Public service pensions	90	105	114	125	137	149
5	Workmen's compensation	105	114	118	125	132	138
6	Industrial employees' vacations	21	21	19	15	12	11
7	Totals	216	240	251	265	281	298
	Municipal:						
8	Public service pensions	22	24	26	29	32	36
9	Grand totals	652	751	787	812	847	892

TABLE 43. Government Expenditure on Goods and Services, 1959-64

Line No.		1959	1960	1961	1962	1963	1964
		millions of dollars					
1	Federal:						
2	Wages, salaries, and supplementary labour income	894	937	1,024	1,064	1,121	1,170
3	Military pay and allowances	496	509	550	586	598	583
4	Other purchases of goods and services	1,442	1,284	1,408	1,373	1,220	1,289
5	Totals¹	2,832	2,730	2,982	3,023	2,939	3,042
6	Provincial:						
7	Wages, salaries, and supplementary labour income	557	615	654	702	756	828
8	Other purchases of goods and services	792	850	813	863	946	1,106
9	Totals¹	1,349	1,465	1,467	1,565	1,702	1,934
10	Municipal:						
11	Wages, salaries, and supplementary labour income	1,080	1,209	1,368	1,497	1,628	1,775
12	Other purchases of goods and services	1,229	1,365	1,419	1,625	1,755	1,856
13	Totals¹	2,309	2,574	2,787	3,122	3,383	3,631
14	Grand totals	6,490	6,769	7,236	7,710	8,024	8,607

¹ Includes fixed capital formation by governments. The major portion of this fixed capital formation is in "other purchases of goods and services". A small portion of the total fixed capital formation is also in the line called "wages, salaries, and supplementary labour income" for work done by the governments' own work force. Fixed capital formation by levels of government is shown below:

	1959	1960	1961	1962	1963	1964
	millions of dollars					
Federal	407	372	383	348	279	314
Provincial	568	612	547	624	659	789
Municipal	548	586	607	783	864	756
Totals	1,523	1,570	1,537	1,755	1,802	1,859

TABLE 44. Government Transfer Payments, Including Interest, 1959-64

Line No.		1959	1960	1961	1962	1963	1964
		millions of dollars					
1	Federal:						
2	Family and youth allowances	487	502	517	529	537	559
3	Re-establishment credits	2	3	2	1	—	—
4	Rehabilitation benefits	1	1	1	1	1	1
5	Pensions World Wars I and II ¹	137	136	158	162	160	162
6	War veterans' allowances	62	64	76	87	89	95
7	Unemployment insurance benefits	406	482	494	409	394	344
8	Prairie farm assistance act	21	25	35	30	15	9
9	Pensions to government employees	56	61	66	76	86	96
10	Interest on the public debt	678	753	786	866	935	995
11	Old age security fund payments ¹	571	587	597	713	767	871
12	Payments to western grain producers	2	40	—	40	—	—
13	Grants to universities ²	—	29	16	19	26	27
14	Assistance to immigrants	2	2	2	1	2	2
15	Miscellaneous	44	44	42	44	60	69
16	Totals	2,469	2,729	2,792	2,978	3,072	3,230
17	Provincial:						
18	Direct relief	17	24	34	39	44	50
19	Workmen's compensation benefits	85	92	94	104	112	120
20	Old age and blind pensions	80	80	82	103	103	119
21	Mothers' and disabled persons allowances	73	73	72	81	79	84
22	Pensions to government employees	35	42	48	55	62	69
23	Grants to private non-commercial institutions	567	706	952	1,073	1,137	1,307
24	Interest on the public debt	126	148	166	192	224	252
25	Miscellaneous	38	50	50	59	57	64
26	Totals	1,021	1,215	1,498	1,706	1,818	2,065
27	Municipal:						
28	Direct relief	44	53	70	74	77	79
29	Pensions to government employees	7	8	9	10	11	12
30	Grants to private non-commercial institutions	18	16	24	19	19	20
31	Interest on the public debt	159	194	218	244	261	285
32	Totals	228	271	321	347	368	396
33	Grand totals	3,718	4,215	4,611	5,031	5,258	5,691

¹ Excludes pensions paid to non-residents, which are treated as government expenditure on goods and services.

² These consist only of grants made on a per capita basis.

TABLE 45. Subsidies, 1959 - 64

Line No.		1959	1960	1961	1962	1963	1964
		millions of dollars					
	Federal:						
	Agricultural:						
1	Freight assistance on western feed grains	22	20	18	14	17	20
2	Hog premiums	8	7	7	7	7	8
3	Agricultural commodities stabilization board loss	58	53	22	72	74	57
4	Assistance re storage costs on grain	42	46	46	44	36	39
5	Miscellaneous	—	2	2	1	2	2
6	Sub-totals	130	128	95	138	136	126
	Other subsidies:						
7	Emergency gold mines assistance	13	12	12	14	15	15
8	Maritime Freight Rates Act	14	14	13	13	11	17
9	Movement of coal	13	17	17	18	19	20
10	Miscellaneous	19	38	84	77	94	100
11	Sub-totals	59	81	126	122	139	152
12	Total federal subsidies	189	209	221	260	275	278
13	Total provincial subsidies	16	26	30	32	36	39
14	Grand totals	205	235	251	292	311	317

TABLE 46. Transfers to Other Levels of Government, 1959 - 64

Line No.		1959	1960	1961	1962	1963	1964
		millions of dollars					
	Federal:						
	To provinces:						
1	Old age and blind pensions	35	35	35	40	43	49
2	Disabled persons allowances	16	16	16	19	20	23
3	Statutory grants	21	21	21	25	23	24
4	Taxation agreements ¹	464	507	510	304	215	283
5	Health grants	52	47	52	50	48	53
6	Trans-Canada highway	50	51	42	35	29	57
7	Government contribution under the Hospital Insurance and Diagnostic Services Act	130	171	265	317	376	415
8	Unemployment assistance	31	48	80	95	102	114
9	Technical and vocational training	9	8	10	145	181	90
10	Other	48	58	64	60	80	90
11	Sub-totals	856	962	1,095	1,090	1,117	1,198
	To municipalities:						
12	Payments to municipalities	24	32	33	44	52	56
13	Totals	880	994	1,128	1,134	1,169	1,254
	Provincial:						
14	To municipalities	622	714	842	1,066	1,147	1,261
	Municipal:						
15	To provinces	24	17	15	15	20	19
16	Grand totals	1,526	1,725	1,985	2,215	2,336	2,534

¹ These data are after deduction of refunds to the federal government by the provinces on account of succession duty credits pursuant to the Tax Rental Agreements Act. These amounted to \$12 million in 1959, \$3 million in 1960, \$3 million in 1961, \$2 million in 1962, \$5 million in 1963, and \$1 million in 1964.

SECTION E
MISCELLANEOUS TABLES

TABLE 47. Personal Expenditure on Consumer Goods and Services, 1959-64

Line No.		1959	1960	1961	1962	1963	1964
millions of dollars							
1	Food	5,465	5,713	5,829	6,113	6,371	6,693
2	Tobacco and alcoholic beverages	1,552	1,606	1,683	1,782	1,839	1,904
3	Tobacco products and smokers' accessories	683	702	744	785	797	812
4	Alcoholic beverages	869	904	939	997	1,042	1,092
5	Clothing and personal furnishings	2,267	2,355	2,432	2,536	2,644	2,807
6	Men's and boys' clothing	500	521	533	567	594	638
7	Women's and children's clothing	967	998	1,028	1,069	1,116	1,190
8	Footwear	284	307	311	327	329	339
9	Laundry and dry cleaning	180	182	193	197	213	233
10	Other	336	347	367	376	392	407
11	Shelter ¹	3,442	3,621	3,812	3,997	4,316	4,564
12	Gross rents paid by tenants	925	977	1,030	1,079	1,177	1,261
13	Expenses (taxes, insurance, etc.) paid by owner-occupants	1,270	1,377	1,501	1,634	1,782	1,922
14	Net imputed residential rent and imputed residential capital consumption allowances	999	1,018	1,029	1,014	1,080	1,103
15	Other	248	249	252	270	277	278
16	Household operation	2,873	2,919	3,032	3,196	3,328	3,548
17	Fuel	441	431	423	470	470	457
18	Electricity	306	326	347	366	382	407
19	Gas	93	108	123	140	153	163
20	Telephone	285	307	332	359	386	417
21	Furniture	324	307	314	328	337	357
22	Home furnishings	274	274	285	298	319	356
23	Appliances, radios and television sets	512	489	490	507	520	562
24	Other	638	677	718	728	761	829
25	Transportation	2,723	2,807	2,872	3,163	3,399	3,656
26	Street-car, railway and other fares	402	414	418	450	463	485
27	New automobiles, used automobiles (net) and house trailers	1,233	1,257	1,262	1,440	1,646	1,835
28	Automotive operating expenses	1,088	1,136	1,192	1,273	1,290	1,336
29	Personal and medical care and death expenses	1,769	1,925	2,045	2,199	2,374	2,563
30	Medical and dental care	370	395	415	458	488	512
31	Hospital care, private duty nursing, accident and sickness insurance, prepaid medical care	719	818	906	991	1,104	1,227
32	Other	680	712	724	750	782	824
33	Miscellaneous	2,500	2,594	2,761	2,927	3,145	3,696
34	Motion picture theatres ²	68	65	62	61	64	65
35	Newspapers and magazines	220	227	242	253	268	292
36	Net expenditure abroad	255	252	209	90	33	85
37	Other	1,957	2,050	2,248	2,523	2,780	3,254
38	Grand totals	22,591	23,540	24,466	25,913	27,416	29,431
39	Durable goods	2,678	2,664	2,716	2,952	3,223	3,558
40	Major durable goods ³	2,344	2,327	2,351	2,573	2,823	3,110
41	Miscellaneous durable goods ⁴	334	337	365	379	400	448
42	Non-durable goods ⁵	11,373	11,813	12,178	12,961	13,508	14,355
43	Services ^{5,6}	8,540	9,063	9,572	10,000	10,685	11,518

¹ Excludes transients' shelter.² Excludes amusement taxes.³ Includes house trailers, new automobiles, net expenditure on used automobiles, home furnishings, furniture and appliances, radios and television sets.⁴ Includes jewellery, watches, clocks, silverware, toys, sporting and wheeled goods, and tools and garden equipment.⁵ The items electricity and gas (items 18 and 19 above) are now classified to non-durable goods and not to services. This treatment differs from that used in *National Accounts, Income and Expenditure, 1926-1956*.⁶ Includes net expenditure abroad.

**TABLE 48. Personal Expenditure on Consumer Goods and Services in Constant (1957) Dollars
1939-64^{1,2}**

Line No.		1959	1960	1961	1962	1963	1964
		millions of dollars					
1	Food.....	5,314	5,535	5,593	5,747	5,833	6,034
2	Tobacco and alcoholic beverages.....	1,485	1,514	1,574	1,645	1,695	1,722
3	Clothing and personal furnishings.....	2,229	2,291	2,334	2,407	2,441	2,524
4	Shelter.....	3,281	3,419	3,588	3,751	4,029	4,241
5	Household operation ^{3,4}	2,808	2,851	2,972	3,119	3,231	3,424
6	Transportation.....	2,616	2,684	2,775	3,069	3,306	3,562
7	Personal and medical care and health expenses ..	1,650	1,760	1,856	1,948	2,059	2,161
8	Miscellaneous.....	2,328	2,348	2,413	2,471	2,591	2,966
9	Grand totals	21,711	22,402	23,105	24,157	25,185	26,634
10	Durable goods.....	2,592	2,582	2,686	2,926	3,184	3,551
11	Non-durable goods ^{3,4}	11,091	11,460	11,723	12,325	12,627	13,193
12	Services ^{3,4,5}	8,028	8,360	8,696	8,906	9,374	9,890

¹ These data are given on a 1949 time base in Table 58 in order to provide continuity with Table 48 in *National Accounts, Income and Expenditure, 1926-1956*, and Table 58 in *National Accounts, Income and Expenditure, 1962*.

² Annual data for the period from 1947 to 1954, on a 1957 time base, are available on request.

³ Personal expenditure on electricity and gas in constant (1957) dollars were as follows:

1959	1960	1961	1962	1963	1964
millions of dollars					
395	424	457	494	521	558

⁴ See footnote 5, Table 47.

⁵ Includes net expenditure abroad.

TABLE 49. Imputed Items Included in Gross National Expenditure, 1939-64¹

Line No.		1959	1960	1961	1962	1963	1964
		millions of dollars					
Expenditure on consumer goods and services:							
Food:							
1	Farm consumed farm produce.....	171	173	157	159	162	162
2	Other ²	102	104	101	107	111	118
Shelter:							
3	Imputed net residential rent and imputed residential capital consumption allowances..	999	1,018	1,029	1,014	1,080	1,103
4	Imputed lodging, non-residential ³	37	37	37	39	41	44
5	Other ⁴	206	242	256	260	274	298
6	Total of imputed items in consumer expenditure	1,515	1,574	1,580	1,579	1,668	1,725
Government expenditure on goods and services:							
7	Imputed gross rent on government-owned buildings.....	220	235	250	263	282	302
8	Total of imputed items	1,735	1,809	1,830	1,842	1,950	2,027

¹ All these items are also included in the various components of Gross National Product.

² Includes food issued to members of the armed forces and to employees in lieu of wages.

³ Lodging in bunk houses, ships, hotels, etc., furnished to employees in lieu of wages.

⁴ Includes clothing issued to the armed forces, wood fuel cut and used on farms, and estimated services rendered by banks without specific charge.

TABLE 50. Analysis of Corporation Profits, 1959-64

Line No.		1959	1960	1961	1962	1963	1964
		millions of dollars					
1	Corporation profits before taxes and before dividends paid to non-residents	3,504	3,338	3,427	3,750	3,996	4,580
2	Deduct: Corporation income tax liabilities ^{1,2}	- 1,581	- 1,544	- 1,612	- 1,702	- 1,821	- 1,989
3	Federal excess of tax liabilities over collections	143	- 98	44	- 23	28	- 123
4	Provincial excess of tax liabilities over collections	13	- 24	17	72	18	21
5	Federal tax collections ³	1,167	1,364	1,267	1,294	1,328	1,605
6	Provincial tax collections	258	302	284	359	447	486
7	Corporation profits after taxes	1,923	1,794	1,815	2,048	2,175	2,591
8	Deduct: Dividends paid to non-residents	- 501	- 458	- 586	- 584	- 613	- 685
9	Corporation profits retained in Canada	1,422	1,336	1,229	1,464	1,562	1,906
10	Deduct: Dividends paid to Canadian persons	- 393	- 459	- 432	- 517	- 545	- 610
11	Charitable contributions from corporations	- 43	- 40	- 40	- 44	- 44	- 44
12	Undistributed corporation profits	986	837	757	903	973	1,252

¹ Includes elective tax on undistributed income of \$6 million in 1959 and 1960, \$5 million in 1961, \$7 million in 1962 and \$6 million in 1963 and 1964.

² For the years prior to 1958, provincial corporation income taxes are on a collections basis; from 1958 on they are on a liabilities basis.

³ Federal tax collections now exclude taxes collected from the proprietary corporations of the federal government which became taxable in 1952. Adjusted estimates for the years 1955 *et seq.* were published for the first time in *National Accounts, Income and Expenditure, 1962*.

TABLE 51. Capital Consumption Allowances and Miscellaneous Valuation Adjustments by "Form of Organization", 1959-64

Line No.		1959	1960	1961	1962	1963	1964
		millions of dollars					
1	Corporations	2,303	2,426	2,447	2,713	2,838	3,125
2	Individuals and unincorporated business	1,507	1,572	1,633	1,692	1,791	1,905
3	Government business enterprises	394	425	460	509	543	577
4	Capital consumption allowances and miscellaneous valuation adjustments ¹	4,204	4,423	4,540	4,914	5,172	5,607

¹ Including net bad debt allowances (charges less recoveries) as follows:

1959	1960	1961	1962	1963	1964
millions of dollars					
50	52	53	58	60	63

SECTION F
RECONCILIATION STATEMENTS

TABLE 52. Accrued Net Income of Farm Operators from Farm Production, 1959-64
Reconciliation Statement

Line No.		1959	1960	1961	1962	1963	1964
		millions of dollars					
1	Net income of farm operators from farming operations ¹	1, 199	1, 340	1, 075	1, 628	1, 655	1, 432
2	Deduct: Amounts included in investment income ²	- 51	- 52	- 57	- 58	- 61	- 66
3	Deduct: Transfer payments ³	- 22	- 77	- 36	- 70	- 15	- 8
4	Other adjustments ⁴	-	- 34	- 4	- 8	8	4
5	Equals: Net income received by farm operators from farm production	1, 126	1, 177	978	1, 492	1, 587	1, 362
6	Adjustment on grain transactions ⁵	- 5	9	30	6	138	110
7	Accrued net income of farm operators from farm production ⁶	1, 121	1, 186	1, 008	1, 498	1, 725	1, 472

¹ These figures are published by the Agriculture Division, Dominion Bureau of Statistics.

² Includes corporation profits in agriculture and imputed net rent of owner-occupied houses.

³ These items are deducted since transfer payments are excluded from Net National Income at factor cost. Includes payments made under the provisions of the Prairie Farm Assistance Act, Western Grain Producers' Acreage Payment Plan, Federal-Provincial Emergency Unthreshed Grain Assistance Act, and payments to P.E.I. potato growers for losses to the 1960 potato crop.

⁴ These adjustments consist of an estimate of net income of farm operators from farming operations in Newfoundland and an adjustment for the difference in the valuation of the physical change in inventories. The Agriculture Division values the change in the quantity of farm held grain at average annual prices, whereas the National Accounts estimates value this quantity change each quarter in terms of average quarterly prices.

⁵ Since the National Income measures earnings arising out of current production rather than receipts of income, it is appropriate to include in Table 1 income accruing to farm operators from farm production rather than income received. Accordingly, an adjustment has been made to take account of the accrued earnings of farm operators arising out of the operations of the Canadian Wheat Board.

⁶ See also line 6, Table 1.

TABLE 53. Federal Government Surplus or Deficit, 1959-64
Reconciliation of Federal Government Transactions Related to the National Accounts with Public Accounts Data

Line No.		1959	1960	1961	1962	1963	1964
		millions of dollars					
	Revenue						
1	Total budgetary revenue as per Public Accounts of Canada for fiscal years ended March 31	4,755	5,290	5,618	5,730	5,879	6,253
2	Adjustment of budgetary revenue from fiscal to a calendar year basis	425	286	86	151	166	762
3	Extra-budgetary revenues						
4	Old Age Security tax collections	490	609	624	681	725	883
5	Prairie Farm Assistance Act levy	7	7	7	8	9	11
6	Unemployment insurance, employer and employee contributions	203	278	277	285	293	305
7	Government pension funds, employer and employee contributions	211	209	233	233	240	254
8	Interest receipts of social insurance and government pension funds	104	106	114	122	139	153
9	Excess of corporation tax accruals over collections	143	- 98	44	- 23	28	- 123
10	Profits before taxes (net of losses) of government business enterprises	88	93	105	118	152	198
11	Interest on loans, advances and investments	146	163	170	186	194	180
12	Less: Return on investments included in budgetary revenue	- 252	- 233	- 322	- 324	- 336	- 371
13	Less: Postal revenue	- 162	- 176	- 179	- 192	- 196	- 224
14	Budgetary revenue items offset against budgetary expenditures ¹	- 96	- 100	- 94	- 105	- 108	- 116
15	All other adjustments to budgetary revenue ²	- 19	- 23	- 15	- 19	- 22	- 33
	Total Revenue as per National Accounts	6,043	6,411	6,668	6,851	7,163	8,132
	Expenditure						
16	Total budgetary expenditure as per Public Accounts of Canada for fiscal years ended March 31	5,364	5,703	5,958	6,521	6,570	6,872
17	Adjustment of budgetary expenditure from fiscal to a calendar year basis	391	211	332	- 7	107	296
18	Expenditures of extra-budgetary funds						
19	Old Age Security Fund payments	571	588	603	721	776	881
20	Unemployment insurance benefits	406	482	494	409	394	344
21	Government pension fund payments	56	61	66	76	86	96
22	Prairie Farm Assistance Act payments	20	25	35	30	15	9
23	Transfers to extra-budgetary funds	- 58	- 68	- 65	- 105	- 66	- 62
24	Adjustment to place other government funds and crown agencies on a disbursement basis ³	56	- 2	- 27	88	24	- 61
25	Budgetary expenditures offset against income of government business enterprises	- 163	- 177	- 183	- 188	- 204	- 207
26	Post Office expenditures	- 68	- 58	- 85	- 96	- 74	- 79
27	Deficits of government business enterprises	- 1	- 2	- 3	- 22	- 56	- 76
28	Capital assistance to non-defence industry	- 238	- 47	- 39	- 39	- 85	- 119
29	Reserves and write-offs	- 96	- 100	- 94	- 105	- 108	- 116
30	Budgetary revenue items offset against budgetary expenditure ⁴	130	46	131	112	76	26
	Total Expenditure as per National Accounts	6,370	6,662	7,123	7,395	7,455	7,804
	Surplus or deficit						
31	Budgetary surplus or deficit as per Public Accounts of Canada (line 1 minus line 16)	- 609	- 413	- 340	- 791	- 691	- 619
32	Difference of total adjustments to revenue and expenditure items above	282	162	- 115	247	399	947
33	Surplus or deficit as per National Accounts (line 15 minus line 30)	- 327	- 251	- 455	- 544	- 292	328

¹ The largest component of this item consists of revenue from sales of goods and services by the government sector. These sales appear as final expenditure of the private sector and are deducted to avoid double counting.

² These adjustments are largely revenue items excluded from the National Accounts such as proceeds from sales of existing assets.

³ This adjustment replaces budgetary appropriations to various funds and agencies by the outlays actually made by these funds and agencies.

TABLE 54. Business Gross Fixed Capital Formation, 1959-64
Reconciliation Statement

Line No.		1959	1960	1961	1962	1963	1964
millions of dollars							
1	Total private and public investment in Canada¹	8,417	8,262	8,172	8,715	9,393	10,827
2	Deduct: New residential construction by governments ^{2,3}	- 18	- 13	- 9	- 10	- 6	- 7
3	New non-residential construction by governments ³	- 1,368	- 1,420	- 1,368	- 1,562	- 1,609	- 1,640
4	New machinery and equipment outlays by governments ³	- 137	- 137	- 160	- 183	- 187	- 212
5	Business gross fixed capital formation	6,894	6,692	6,635	6,960	7,591	8,968

¹ As published in the annual reports *Public and Private Investment in Canada-Outlook*.

² Excluding residential construction under Veterans' Land Act, construction of veterans' rental housing by Central Mortgage and Housing Corporation and joint federal-provincial housing (Section 36, National Housing Act), which are included in line 5.

³ Included in "Government fixed capital formation", line 4, Table 2.

TABLE 55. Exports and Imports of Goods and Services, 1959-64¹
Reconciliation Statement

Line No.		1959	1960	1961	1962	1963	1964
millions of dollars							
Exports of goods and services:							
1	Merchandise exports	5,150	5,392	5,889	6,380	7,082	8,238
2	Gold production available for export	148	162	162	155	154	144
3	Interest and dividends received from non-residents	182	173	209	202	223	287
4	Other receipts from services rendered to non-residents	1,375	1,426	1,509	1,687	1,790	1,984
5	Sub-total: "Current receipts" as per <i>Canadian Balance of International Payments</i>	6,855	7,153	7,769	8,424	9,249	10,653
6	Adjustments - Mutual aid to NATO countries	- 63	- 43	- 35	- 41	- 23	- 47
7	Inheritances and immigrants' funds	- 109	- 102	- 103	- 124	- 149	- 166
8	Total "exports of goods and services" as per National Accounts²	6,683	7,008	7,631	8,259	9,077	10,440
Imports of goods and services:							
9	Merchandise imports	5,572	5,540	5,716	6,203	6,579	7,538
10	Interest and dividends paid to non-residents	671	653	770	794	869	960
11	Other payments for services rendered by non-residents	2,116	2,203	2,265	2,301	2,358	2,608
12	Sub-total: "Current payments" as per <i>Canadian Balance of International Payments</i>	8,359	8,396	8,751	9,298	9,806	11,106
13	Adjustments - Mutual aid to NATO countries	- 63	- 43	- 35	- 41	- 23	- 47
14	Inheritances and emigrants' funds	- 165	- 181	- 174	- 175	- 182	- 191
15	Total "imports of goods and services" as per National Accounts²	8,131	8,172	8,542	9,082	9,601	10,868

¹ Data sources are mainly reports on the *Canadian Balance of International Payments* (National Accounts and Balance of Payments Division, Dominion Bureau of Statistics). Figures include mutual aid to NATO countries.

² See also Table 2.

TABLE 56. Gross National Expenditure in Constant (1949) Dollars, 1959-64¹

Line No.		1959	1960	1961	1962	1963	1964
millions of dollars							
1	Personal expenditure on consumer goods and services	17,392	17,945	18,508	19,351	20,175	21,336
2	Government expenditure on goods and services	4,155	4,197	4,393	4,549	4,551	4,755
3	<i>Current expenditure</i>	3,055	3,067	3,227	3,265	3,285	3,455
4	<i>Gross fixed capital formation</i>	1,109	1,141	1,175	1,299	1,280	1,310
5	<i>Adjusting entry</i>	- 9	- 11	- 9	- 15	- 14	- 10
6	Business gross fixed capital formation	4,575	4,345	4,272	4,369	4,646	5,297
7	<i>New residential construction</i>	1,157	937	941	989	1,035	1,159
8	<i>New non-residential construction</i>	1,683	1,637	1,698	1,633	1,710	1,962
9	<i>New machinery and equipment</i>	1,735	1,770	1,627	1,744	1,896	2,172
10	<i>Adjusting entry</i>	-	1	6	3	5	4
11	Change in inventories	308	361	26	477	420	321
12	<i>Non-farm business inventories</i>	334	262	350	250	153	392
13	<i>Farm inventories and grain in commercial channels</i>	- 91	86	- 484	258	325	- 158
14	<i>Adjusting entry</i>	65	13	160	- 31	- 58	87
15	Exports of goods and services	5,574	5,806	6,224	6,534	7,097	7,982
16	Deduct: Imports of goods and services	- 6,776	- 6,743	- 6,845	- 6,992	- 7,176	- 7,991
17	Residual error of estimate	22	28	11	169	124	30
18	Adjusting entry	- 8	- 90	- 74	- 182	- 254	- 231
19	Gross National Expenditure in constant (1949) dollars	25,242	25,849	26,515	28,275	29,583	31,499
20	Index, line 19, 1949 =100	154.4	158.2	162.2	173.0	181.0	192.7

¹ The price indexes from 1959 to 1964, shown in Table 6, were converted to a 1949 base using 1956 as the year of overlap between old and new series. They were then divided into the current dollar figures of Table 2, to give the constant (1949) dollar series shown above. This procedure was followed in the case of Gross National Expenditure, line 19, as well as the major components. It may be noted that this procedure yields year-to-year movements in the constant dollar series which are identical with those shown in Table 5. However, a small residual difference, produced by the change in the major group weighting pattern, is entered to make the components add up to the Gross National Expenditure in constant (1949) dollars as determined in this way.

TABLE 57. Implicit Price Indexes - Gross National Expenditure, 1959-64¹
(1949 = 100.0)

Line No.		1959	1960	1961	1962	1963	1964
1	Personal expenditure on consumer goods and services	129.9	131.2	132.2	133.9	135.9	137.9
2	Government expenditure on goods and services	156.2	161.3	164.7	169.5	176.3	181.0
3	<i>Current expenditure</i>	162.6	169.5	176.6	182.4	189.4	195.3
4	<i>Gross fixed capital formation</i>	137.3	137.8	130.8	135.1	140.8	141.9
5	Business gross fixed capital formation	150.7	154.0	155.3	159.3	163.4	169.3
6	<i>New residential construction</i>	149.9	154.0	155.0	159.4	164.9	174.3
7	<i>New non-residential construction</i>	153.8	157.4	158.0	161.5	165.8	170.4
8	<i>New machinery and equipment</i>	148.2	151.0	153.3	157.4	160.8	165.9
9	Exports of goods and services	119.9	120.7	122.6	126.4	127.9	130.8
10	Imports of goods and services	120.0	121.2	124.8	129.9	133.8	136.0
11	Residual error of estimate	139.1	141.2	142.1	144.3	146.9	150.1
12	Gross National Expenditure at market prices	138.3	140.4	141.3	143.5	146.0	149.2

¹ These implicit indexes are currently weighted price indexes. They reflect not only pure price changes, but also changing expenditure patterns within and between major groups. The implicit price index for Gross National Expenditure is derived by dividing the total of current dollars by the total of constant dollars.

TABLE 58. Personal Expenditure on Consumer Goods and Services in Constant (1949) Dollars, 1959-64¹

Line No.		1959	1960	1961	1962	1963	1964
		millions of dollars					
1	Food	4,485	4,671	4,720	4,850	4,923	5,092
2	Tobacco and alcoholic beverages	1,372	1,398	1,454	1,519	1,566	1,591
3	Clothing and personal furnishings	2,020	2,076	2,115	2,181	2,212	2,287
4	Shelter	2,059	2,146	2,252	2,354	2,528	2,661
5	Household operation ^{2,3}	2,391	2,428	2,531	2,656	2,751	2,916
6	Transportation	2,149	2,205	2,280	2,521	2,716	2,926
7	Personal and medical care and death expenses	1,149	1,226	1,293	1,357	1,434	1,505
8	Miscellaneous	1,730	1,745	1,793	1,836	1,925	2,204
9	Adjusting entry	37	50	70	77	120	154
10	Grand totals	17,392	17,945	18,508	19,351	20,175	21,336
11	Durable goods	2,262	2,254	2,344	2,554	2,779	3,099
12	Non-durable goods ^{2,3}	9,659	9,980	10,209	10,733	10,996	11,489
13	Services ^{2,3,4}	5,416	5,639	5,866	6,008	6,324	6,672
14	Adjusting entry	55	72	89	56	76	76

¹ See footnote 1, Table 56.

² Personal expenditure on electricity and gas in constant (1949) dollars were as follows:

1959	1960	1961	1962	1963	1964
millions of dollars					
347	372	401	434	457	490

³ See footnote 5, Table 47.

⁴ Includes net expenditure abroad.

APPENDIX

TABLE I. Population of Canada, by Provinces, 1959-64

Estimated as of June 1

Line No.		1959	1960	1961	1962	1963	1964
		thousands					
1	Newfoundland	441	448	458	470	481	491
2	Prince Edward Island	101	103	105	106	107	107
3	Nova Scotia	719	727	737	746	756	760
4	New Brunswick	582	589	598	607	614	617
5	Quebec	5,024	5,142	5,259	5,366	5,468	5,562
6	Ontario	5,969	6,111	6,236	6,342	6,448	6,586
7	Manitoba	891	906	922	935	950	958
8	Saskatchewan	907	915	925	930	933	943
9	Alberta	1,248	1,291	1,332	1,370	1,405	1,432
10	British Columbia	1,567	1,602	1,629	1,659	1,695	1,738
11	Yukon	13	14	14	15	15	16
12	Northwest Territories	21	22	23	24	24	25
13	Canada	17,483	17,870	18,238	18,570	18,896	19,235

TABLE II. The Civilian Labour Force, 1959-64¹

Line No.		1959	1960	1961	1962	1963	1964
		thousands					
1	Civilian non-institutional population, 14 years of age and over	11,605	11,831	12,053	12,280	12,536	12,817
	Civilian labour force:						
	Employed:						
2	Non-agricultural	5,170	5,282	5,374	5,565	5,726	5,979
3	Agricultural	700	683	681	660	649	630
4	Total employed	5,870	5,965	6,055	6,225	6,375	6,609
5	Unemployed	372	446	466	390	374	324
6	Total civilian labour force ²	6,242	6,411	6,521	6,615	6,748	6,933

¹ Incorporates new definitions of "Employed" and "Unemployed". For earlier years see *The Labour Force*, Catalogue No. 71-001 (Special Surveys Division, Dominion Bureau of Statistics).

² The number of persons in the regular Armed Forces not included in these totals is as follows: 1959-120,000 persons; 1960-119,000 persons; 1961-121,000 persons; 1962-126,000 persons; 1963-123,000 persons; 1964-119,000 persons. The figures are monthly averages.

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